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THE IMPACT OF STAKEHOLDER VOICE UPON THE
FORMULATION OF STRATEGY WITHIN A SMALL
LOCAL AUTHORITY

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Chester for the degree of Master of Business Administration

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Abstract

This research presents the results of a study undertaken within a small local authority. It examines the relevance of both stakeholder theory and contemporary strategic thinking to determine whether stakeholder voice has an impact upon the formulation of strategy within the context of the local authority examined.

The role of the stakeholder is argued as being fundamental in the development of effective strategy, and therefore “logical incrementalism” is challenged in favour of the need for strategic forward planning to formalise the involvement of stakeholders. However, whilst this research indicates a development toward a planned approach to strategy, this can be constrained by other factors that divert managers away from strategic issues, including a flat management structure, strategically indifferent political support and limited time and resources. Moreover, the multiplicity [in both number and influence] of the stakeholders to the local authority supports the situational and subjective nature of the stakeholder concept, which can lead to both positive and negative stakeholder influences. Accordingly, it is argued that stakeholder voice is ultimately related to an individual stakeholder’s ability to sanction, support and/or exert power over the local authority. A model of stakeholder power has been developed, which postulates that such power is derived from the impact of legislation upon the stakeholder relationship in combination with the stakeholder’s ability to control resources as well the stakeholder’s impact upon the reputation of the local authority.

The ability to comprehend the complexity and nuances of the stakeholder concept is therefore of paramount importance, however it was observed that managers do not fully understand the purpose and definition of strategy and therefore do not fully comprehend the stakeholder concept and its relationship to strategy. Therefore a significant need for training was identified with regard to both stakeholder involvement and strategy formulation.

The research concludes that stakeholder voice does affect strategy formulation, but this relationship can be very situational, resulting in positive and negative connotations about the involvement of stakeholders to the various strategic processes of the local authority examined.

Declaration

All work is original and has not been submitted previously for any academic purpose.

All secondary sources are acknowledged.

Signed: _____

Date: _____

Table of Contents

1 Introduction 8

1.1 Background to the research 8

1.2 Research question..... 8

1.3 Justification for the research..... 9

1.4 Methodology..... 10

1.5 Outline of the Chapters..... 10

1.6 Definitions 10

1.6.1 Strategy..... 10

1.6.2 Stakeholders 11

1.7 Summary..... 11

2 Literature Review 12

2.1 Introduction 12

2.2 Parent disciplines / fields..... 12

2.2.1 A stakeholder approach 12

2.2.2 Strategic implications 13

2.3 Main theme, analytical models and applicability to research question 14

2.3.1 Investigating the current approach to strategy formulation and stakeholder voice within the Council..... 14

2.3.1.1 *Subject 1: Strategy in local government: planned vs. incremental approach.* 14

2.3.1.2 *Subject 2: Stakeholder involvement in strategy formulation*..... 16

2.3.2 Critical evaluation of the impact of stakeholder voice upon the formulation of strategy within the Council..... 18

2.3.2.1 *Subject 3: Stakeholder influence on strategy - a positive or negative context* 18

2.3.2.2 *Subject 4: Stakeholder voice - the bases of power* 20

2.3.2.3 *Subject 5: Stakeholder classification and a need for training*..... 23

2.4 Conceptual model 25

2.5 Summary..... 27

3 Methodology..... 28

3.1 Introduction 28

3.2 Methodological considerations..... 28

3.2.1 Justification for the selected paradigm and methodology 29

3.2.2 Rejected models..... 31

3.3 Research design 32

3.4 Research procedures 33

3.4.1 Self administered questionnaire..... 33

3.4.2 Semi structured interviews 34

3.4.3 Secondary data analysis..... 35

3.5 Ethical considerations..... 36

3.6 Summary..... 38

4 Findings 39

4.1 Introduction 39

4.2 Application of methodology..... 39

4.3 Findings for each research question 39

4.3.1 1st supplementary research question [research aim 2]..... 39

4.3.2 2nd supplementary research question [research aim 2] 44

4.3.3 3rd supplementary research question [research aim 3]..... 50

4.3.4 4th supplementary research question [research aim 3]..... 56

4.3.5 5th supplementary research question [research aim 3]..... 63

4.4 Summary..... 67

5 Conclusions and Implications..... 68

5.1 Introduction 68

5.2 Critical evaluation of adopted methodology 68

5.2.1 Self administered questionnaire..... 68

5.2.2 Semi structured interviews 70

5.2.3 Secondary data analysis..... 70

5.3 Conclusions about each research objective (aim) 71

5.3.1 Research aim 1 71

5.3.2 Research aim 2 71

5.3.3 Research aim 3 75

5.3.4 Research aim 4 81

5.4 Conclusions about the research question..... 81

5.5 Limitations of the study..... 82

5.6 Opportunities for further research 83

6 Recommendations..... 84

Bibliography..... 85

Appendices 98

Appendix 1: Outline structure of the Council 98

Appendix 2: Data requirements table 99

Appendix 3: Self administered questionnaire pilot feedback..... 102

Appendix 4: Layout of self administered questionnaire..... 104

Appendix 5: Excerpt from the Council’s Performance Management Guide..... 111

Appendix 6: Data table - managers’ views of the importance of stakeholders to their work..... 113

Appendix 7: Data table - whether managers think stakeholder involvement improves strategy 114

Appendix 8: Data table - managers’ view of the importance of stakeholder voice toward strategy 115

Appendix 9: Data table - the key methods managers use to obtain stakeholder views 116

Appendix 10: Data table - whether managers think stakeholder voice disproportionately affects strategy..... 117

Appendix 11: Data table - stakeholder: strong influence / does not support strategy .. 118

Appendix 12: Data table - stakeholder: strong influence / supports strategy 119

Appendix 13: Data table - stakeholder: weak influence / does not support strategy.... 120

Appendix 14: Data table - stakeholder: weak influence / supports strategy 121

Appendix 15: Data table - managers’ opinion of Council training on strategy formulation 122

Appendix 16: Data table - managers’ opinion of Council training on stakeholder involvement 123

List of Tables

Table 1: Number of managers required to formulate strategy..... 40

Table 2: Managers’ definition of strategy 40

Table 3: Managers’ definition of a stakeholder..... 44

Table 4: Number of managers stating they considered stakeholder views when
formulating strategy..... 45

Table 5: Factors that managers consider restrict their choice of stakeholder..... 50

Table 6: Other factors that managers consider restrict their choice of stakeholder 50

Table 7: Attributes contributing to stakeholder voice 52

Table 8: Factors affecting stakeholder influence..... 53

Table 9: Elements managers perceive to provide a stakeholder with power..... 56

Table 10: Elements managers perceive to allow a stakeholder to sanction..... 57

Table 11: Elements managers perceive to allow a stakeholder to support..... 58

Table 12: Managers’ classification of stakeholders 63

Table 13: Managers’ suggestions for additional classifications of stakeholders..... 64

Table 14: Number of managers who had received training on strategy formulation..... 64

Table 15: Format of training provided on strategy formulation..... 65

Table 16: Number of managers who received training on stakeholder involvement..... 66

Table 17: Format of training provided on stakeholder involvement..... 66

List of Figures

Figure 1: Conceptual model of stakeholder voice and its impact upon strategy 26

Figure 2: Relative importance of stakeholders to managers’ work..... 45

Figure 3: Managers’ perceptions of stakeholder involvement in strategy formulation.. 47

Figure 4: Managers’ view of the importance of stakeholder voice toward strategy 48

Figure 5: The methods managers use to obtain stakeholder views 51

Figure 6: Whether stakeholder voice disproportionately affects strategy 55

Figure 7: Stakeholder has strong ability to influence, yet contrary opinion to strategy. 59

Figure 8: Stakeholder has strong ability to influence, and supports strategy 60

Figure 9: Stakeholder has weak ability to influence, yet contrary opinion to strategy .. 61

Figure 10: Stakeholder has weak ability to influence and supports strategy..... 62

Figure 11: Managers’ perception of training provided on strategy formulation 65

Figure 12: Managers’ perception of training provided on stakeholder involvement 67

Figure 13: Factors affecting stakeholder bases of power 78

1 Introduction

This research is provided in part fulfilment for the University of Chester Master of Business Administration programme. All references are made in accordance with the APA referencing style.

1.1 Background to the research

The organisation [hitherto referred to as “the Council”] examined by this study is a relatively small local authority, which employs approximately 900 people serving a population of approximately 108,337 (National Census, 2001). An anonymised diagram outlining the service structure of the Council is provided at Appendix 1 (page 98).

The Council is a ‘two-tier’ authority and is responsible for the delivery of localised statutory and discretionary services. This breadth of service provision and the multiple stakeholders surrounding local government (McAdam, Hazlett and Casey, 2005) is the main focus of this study, as it aims to assess the impact of stakeholder voice upon the formulation of the numerous strategies developed by the Council.

1.2 Research question

The research question examined by this study is:

“The impact of stakeholder voice upon the formulation of strategy within a small local authority.”

Accordingly, the following aims have been identified to address the key concepts within the research question:

1. To illustrate and explain contemporary thinking on stakeholder theory and voice, and its impact upon strategy formulation;
2. To investigate the current approach to strategy formulation and stakeholder voice within the Council;

3. To critically evaluate the impact of stakeholder voice upon the formulation of strategy within the Council by the development of a conceptual model identified by the literature;
4. To make recommendations for improving the formulation of strategy within the Council based upon aims one, two and three.

1.3 Justification for the research

Over the last twenty years, the term *stakeholder* has assumed a prominent place within public sector management (Bryson, 2004), as it is perceived that the involvement of stakeholders is linked to higher quality strategic decisions (Beierle, 2002).

The fact that the Council is subject to multiple stakeholders is not in dispute; rather it is the management of these multiple relationships that can be problematic (McAdam et al., 2005). Consequently, Bryson (2004), citing the work of Nutt (2002), suggests a failure to attend to stakeholder interests can lead to disaster. This matter was of significant concern to the author of this study, as there was anecdotal evidence to suggest a lack of suitable training within the Council to guide managers when required to formulate strategy and/or evaluate stakeholder views. It is concerning, therefore, that given the perceived importance of stakeholder interests to the Council, there is a lack of empirical investigation of stakeholder influences (Gomes, 2005) that clearly articulates how to systematically identify and analyse stakeholders (Bryson, 2004).

Therefore, given the potential for stakeholders to affect the operation of the Council, coupled with an anecdotal lack of management training, there is a possibility for the stakeholder concept to be misunderstood. Furthermore, as managers have been criticised as being unable or unwilling to consider strategic options (Gallén, 2006), there is a need to examine the role of the stakeholder upon the formulation of strategy within the Council.

1.4 Methodology

This study has a fundamentally positivist philosophy and primarily adopts a deductive approach. The research aims are addressed by a contextualised review of the literature, which is divided into five distinct subject areas relevant to the research question. From this information, a conceptual model and five supplementary research questions will be established, which will provide the focus for this study. Primary data was gathered from all of the 57 service managers employed by the Council, who each received a specifically designed anonymous self administered questionnaire. Semi-structured interviews were also conducted with six randomly chosen service managers, to provide qualitative data to build upon, and triangulate, the quantitative data. All available secondary data, designed to provide service managers with guidance on stakeholder involvement and/or strategy formulation, was also examined in detail.

1.5 Outline of the Chapters

This research is divided into six distinct Chapters; this introductory Chapter establishes the broad research aims whereas the second Chapter will contextualise these aims by examining the relevant literature to establish a conceptual model upon which the analysis will be based. The third Chapter fully justifies the methodology used in this study to derive the primary and secondary data, which is presented thematically against each supplementary research question throughout the fourth Chapter. The fifth Chapter will discuss the implications of the research results and provide clear conclusions, including the extent to which the research question has been answered. The final Chapter will offer several recommendations for the Council based on the conclusions of this study.

1.6 Definitions

1.6.1 Strategy

Whilst the origins of strategy lie in militaristic uses, many organisational definitions exist, for example, Mintzberg (1987, 1994); Johnson and Scholes (1993); Hamel and Prahalad (1994) and Porter (1996). This multiplicity of definitions are best illustrated by Mintzberg and Lampel's (1999) 10 individual schools of thought for strategy, which demonstrates the lack of a universally acknowledged definition of strategy (Doherty and

Horne, 2005) as such definitions are contested throughout management research (Barry and Elmes, 1997; Volberda and Elfring, 2001; Whittington, 2001).

1.6.2 Stakeholders

The available literature is also fraught with many attempts to define a ‘stakeholder’ (Lépineux, 2005). However, Johnson and Scholes’s (2002) definition is most descriptive of the link between the stakeholder concept and stakeholder voice to highlight the notions of the “nominally powerless” (Bryson, 2004) or “voiceless” stakeholder (Gao and Zhang, 2006). Accordingly, stakeholder *voice* is loosely defined as the level of “attention getting capacity” (Mitchell, Agle and Wood, 1997), which is interdependently linked to stakeholder *influence*, as a stakeholder may have voice but not possess the ability to influence, and vice versa. The degree of influence a stakeholder possesses is therefore determined by how powerful a stakeholder is, or perceived to be (Bailur, 2006).

Furthermore, whilst stakeholder theory clearly is an important issue in strategy (Donaldson and Preston, 1995; Harrison and St John, 1996; Useem, 1996; Harrison and Freeman, 1999), there is no real agreement on the scope of stakeholder theory (Harrison and Freeman, 1999), as there is still debate as to which groups can be considered as stakeholders (Payne, Ballantyne and Christopher, 2005). Accordingly, there are no universally accepted definitions of stakeholder theory (Polonsky, Carlson and Fry, 2003; Merrilees, Getz and O’Brien, 2005), which has lead to the criticism that stakeholder theory is not a theory at all, rather it is a research tradition (Treviño and Weaver, 1999), which at its most extreme, can be dangerous and unjustified (Sternberg, 1994; 1997; 1998).

1.7 Summary

This study will examine part of the complex strategic environment in which the Council exists by assessing the impact of stakeholder voice upon the formulation of the various strategies developed and implemented by the Council. Based upon these findings, several recommendations will be made to assist the Council’s future strategic development, as well as provide a contribution to the wider academic literature.

2 Literature Review

2.1 Introduction

This Chapter is provided to address the first aim of this research, and in accordance with the deductive nature of this study, it will provide the foundation upon which the conceptual model will be built and tested by the primary data (Saunders et al., 2007). All secondary literary sources have been drawn from key texts, related journal articles and internet resources to allow analysis of the research aims and develop a critical understanding of theoretical concepts and terminology to contextualise this study within the current literature (Rowley and Slack, 2004). The literature will be presented thematically (Fisher, 2007) based upon five key subject areas that are prevalent within the literature and relevant to the second and third research aims. Each section will be critically evaluated to explain the nature and character of the implications of the relevant literature and its significance to this research (Hart 1998). At the conclusion of this Chapter, five supplementary research questions will be established to examine each of the five subject areas. These questions will provide the focus for the primary research to ensure the research aims are met.

2.2 Parent disciplines / fields

Two distinct parent disciplines are evident in the literature. The first being the origins of the stakeholder approach and the second is the concept of strategy, not only in its wider context, but its relationship with the stakeholder concept.

2.2.1 A stakeholder approach

Freeman and Reed (1983) and Preston (1990) traced the origins of the stakeholder concept to the early part of the 20th century, nevertheless, a stakeholder approach to strategy only substantially emerged from the mid 1980s (Freeman and McVea, 2005) with the publication of Freeman's (1984) influential text.

The prime merit of the stakeholder concept is that it identifies the important relational aspects of organisations (Freeman, 1984). Accordingly, it functions as a useful heuristic (Ihlen and Berntzen, 2007) and holds much promise as a conceptual framework and analytical tool (Bunn, Savage and Holloway, 2002). However, vigilance must be exercised when examining stakeholders to the public sector, as the issue of multiple

stakeholders presents difficulties that must be addressed, particularly as recent attempts have been made within local government to adapt private sector approaches (McAdam et al., 2005), with the resultant risk that the interests and needs of stakeholders are not accurately or appropriately represented (Bendheim and Graves, 1989).

These issues are important to the research question as it justifies the value of stakeholders in both an academic and a local government context. However, it also raises the question whether the broad positivist stance taken by the literature, and this study, is supported within the Council. Furthermore, in order to address the multiple definitions within the voluminous stakeholder literature (Lépineux, 2005), and also to address the second aim of this research, a contextualised classification of the definition of stakeholder will be provided to examine whether the stakeholder concept is understood within the Council.

2.2.2 Strategic implications

Given the aforementioned contested definitions of strategy, this study needs to be open to many different definitions (Ferlie, 2002). However, of the numerous studies of different strategic approaches, only the minority take account of the unique environment of local government (McAdam et al., 2005). A contextualised view of strategy, from the perspective of the Council, will enable further examination of the potential existence of a link between stakeholder voice and strategy, namely that:

1. Organisations have a number of stakeholder constituencies that affect and are affected by them;
2. The process and outcome of these interactions impact on stakeholders and the organisation;
3. Stakeholder perceptions influence the viability of strategic options.

Source: Haberberg and Rieple (2001)

These matters are directly relevant to the research question as they demonstrate the potential relationship between stakeholders and strategic development. The following sections will conceptualise this relationship in the context of the available literature.

2.3 Main theme, analytical models and applicability to research question

Each research aim and relevant subject area is addressed separately to demonstrate the applicability of the selected literature to the research question.

2.3.1 Investigating the current approach to strategy formulation and stakeholder voice within the Council

Subject 1: Strategy in local government: planned vs. incremental approach

A resurgent central government agenda can, in part, be attributed to a more recent and developing interest in local government strategy (Dereli, 2003); however, as a consequence, there is little real academic research into the purposes of strategy in the public sector (Ferlie, 2002; Llewellyn and Tappin, 2003). Therefore, there is a lack of consensus about what constitutes strategic management in a local government context (Worrall, Collinge and Bill, 1998), and as such, strategic management in public services can be seen as an unfinished and evolving phenomenon (Joyce, 2000). Accordingly, the local government world is massively complex and managing the strategic process is a non-trivial task (Whittington and Stacey, 1994), yet strategy is not a word that has, until recently, figured in public sector discourse (Llewellyn and Tappin, 2003).

The lack of a universally acknowledged definition of strategy (Doherty and Horne, 2005) highlights the need, borne out of the second aim of this research, to analyse the interpretation of strategy within the Council. Accordingly, “logical incrementalism” (Quinn, 1980), rather than a planned approach to strategy, has been considered typical of strategic development within the public sector (Collier, Fishwick and Johnson, 2001). However, the adoption of such emergent strategies could allow the Council to innovate repeatedly (Kay 2001; Chapman Wood, 2007) by taking account of changing stakeholder interests.

Conversely, there are many practical pressures on the Council to plan for the future, rather than adopt a pragmatic, incremental approach (Flynn and Talbot, 1996). Resourced-based strategic options would argue that the Council needs to offer some form of distinctiveness (Llewellyn and Tappin, 2003), and whilst this may not be practicable for all Council services, it offers the opportunity to focus on those competitive resources that allow for the delivery of superior public services (Lynch, 2006). However, given the varied nature of stakeholders to strategic development within

the Council, and that 'front line' services can also impact upon strategic issues, it is appropriate to postulate that competitive strategies can be of use to those Council services in direct competition with the private sector.

Furthermore, whilst there is no denying the similarities of private and public sector challenges (McAdam et al., 2005), the extent to which private practices can be simply transported to the public sector is still a matter for some debate (Savoie, 1998; Joyce, 2000), as Worrall et al. (1998), based on work by Ranson and Stewart (1994), argued that local government is qualitatively different [from the private sector] and that attempts to import private sector models of strategic management into the public sector are fundamentally misplaced. Nevertheless, it only serves to demonstrate the split between operational and strategic control that is fundamental to the public sector (Exworthy and Halford, 1999) and the importance of stakeholders to both operational and strategic issues.

The Council, therefore, faces many influences on strategy, including differing market forces, changing regulatory controls, increased emphasis on net public welfare, political influences and multiple stakeholders (Collier, Fishwick and Johnson, 2001). Moreover, the Council is potentially disadvantaged when implementing strategy because of "government blindness" to the needs of the smaller authority (Dereli, 2003). Therefore, as it is exposed to these multiple influences, local government can be considered the archetype of the public sector (Collier et al., 2001), effectively making analysis of the strategic environment [of the Council] more complex than the private sector (Lynch, 2006). However, regardless of whether considering public or private sectors, the majority of strategic models are common in their initial need to analyse the Council's internal and external environment (Joyce, 2001; Whittington, 2001; Mintzberg, Lampel, Quinn and Ghoshal, 2003; Eden and Ackermann, 2004; White, 2004; Doherty and Horne, 2005; Lynch, 2006), thereby including the stakeholder concept.

This perceived need to analyse the Council's strategic environment is directly relevant to this study, as it demonstrates the multiplicity of influences that internal and external stakeholders can bear upon the formulation of strategy within the Council. It also emphasises the need for this study to examine whether the Council formulates strategy from a traditional incrementalist perspective, or whether a shift toward a planned and analytical perspective is evident.

Subject 2: Stakeholder involvement in strategy formulation

The beginnings of stakeholder research are generally credited to Freeman's (1984) seminal text (Schilling, 2000), which comprehensively demonstrated that strategic management could become more effective and efficient if managerial efforts take account of stakeholders' concerns (Scholl, 2001). This positivist stance is dominant throughout the literature, regardless of the aforementioned discord, in suggesting the need for stakeholder support to sustain “winning coalitions” (Bryson, 2004) and to ensure the long term viability of organisations (Abramson and Kamensky, 2001; Bryson, Gibbons and Shaye, 2001; Eden and Ackermann, 2004) and their strategies, plans and programs (Bryson and Crosby 1992; Baumgartner and Jones, 1993; Roberts and King, 1996; Jacobs and Shapiro, 2000; van Schendelen, 2002).

Stakeholder theory is therefore underpinned by the numerous (albeit contested) definitions, however, strategies must satisfy *key* stakeholders, at least minimally, or they will fail (Huntington 1996; Friedman, 2000). Accordingly, a key distinction can be drawn between the tenets of stakeholder theory and the conventional input-output model of the organisation (Donaldson and Preston, 1995). Therefore, studies in this tradition have focused on developing three categories:

1. *Descriptive* (how managers deal with stakeholders);
2. *Normative* (how managers should deal with stakeholders);
3. *Instrumental* (what happens if managers treat stakeholders a certain way).

Sources: Donaldson and Preston (1995); Jones and Wicks (1999); Swanson (1999)

However, concerns surrounding the need for a better understanding of the processes and outcomes related to stakeholder relationships (Mitchell et al., 1997; Agle, Mitchell and Sonnenfeld, 1999; Harrison and Freeman, 1999; Friedman and Miles, 2002), lead to the need to identify the differences in stakeholder groups and to understand the overall stakeholder relationship as a many sided, complex phenomenon (Harrison and Freeman, 1999). Therefore, stakeholder theory argues that every legitimate person or group participating in the activities of the organisation do so to obtain benefits, and that the priority of the interests of all legitimate stakeholders is not self-evident (Pesqueux and Damak-Ayadi, 2005).

Whilst the traditional distinction between descriptive, normative and instrumental may be obvious within the academic field, in practice, this is mixed into an overall stakeholder approach (Antonacopoulou and Méric, 2005). However, from a normative standpoint, it is not possible to ignore the phenomena of social inequalities, poverty and social exclusion (Lépineux, 2003), which is of particular importance to the Council. Accordingly, there are four central concepts related to stakeholder theory:

1. It is descriptive as it offers a model of the organisation;
2. It is instrumental in offering a framework for investigating the links between performance and the practice of stakeholder management;
3. Although it can be descriptive and instrumental, it is more fundamentally normative. Stakeholders are identified by their interests and all stakeholder interests are considered to be intrinsically valuable;
4. It is “managerial”, in that it recommends attitudes, structures, and practices and requires that simultaneous attention be given to the interests of all legitimate stakeholders.

Source: Donaldson and Preston (1995)

Therefore, the stakeholder concept is both highly functional in its definition and ethical as far as its implications are concerned (Antonacopoulou and Méric, 2005), and it would therefore seem appropriate to postulate that the Council should view the involvement of stakeholders as having only a positive impact upon strategy development. Accordingly, this study will examine this concept to ascertain whether the Council practically sees the involvement of stakeholders as a step towards improving strategy formulation, or whether more negative or nullifying connotations are apparent.

2.3.2 Critical evaluation of the impact of stakeholder voice upon the formulation of strategy within the Council

Subject 3: Stakeholder influence on strategy - a positive or negative context

Within the positivist stream of stakeholder research, Frooman (1999) developed a “stakeholder influence strategy theory” that suggests organisational strategies are influenced by the level of control, and degree of manipulation, over resources that a respective stakeholder controls. Whilst there is little empirical evidence to support this theory (Tsai, Rosa-Yeh, Wu and Huang, 2005), strategy must be derived from stakeholders (Wisniewski and Stewart, 2004; Neely, Adams and Crowe, 2001). In this context, a ‘stakeholder’ can be seen to be “influencing strategies” (Fletcher, Guthrie, Steane, Roos and Pike, 2003), which must be derived from stakeholder analysis and prioritised to incorporate diversity. Undertaking enough stakeholder analyses would therefore allow the Council to guide “strategic conversations” (van der Heijden, 1996) to develop and improve services.

Yet the aforementioned problem of the multiplicity and influence of stakeholders particular to the Council could lead to negative connotations. Leitch and Davenport (2002), building upon initial ideals from Eisenberg (1984), suggest that public sector organisations need to learn to adopt “strategic ambiguity”, where the emphasis is on symbiosis rather than synergy. Therefore, the literature does not imply that all possible stakeholders should be satisfied, or involved, or otherwise taken into account (Bryson, 2004); only the *key* stakeholders need be involved. This is because ‘success’ for the Council depends upon satisfying stakeholders according to their definition of what is valuable (Bryson, 2004), as well as enhancing political feasibility (van Horn, Baumer and Gormley, 2001; Bryson, 2004; Eden and Ackermann, 2004) to achieve the common good (Bryson, Cunningham and Lokkesmoe, 2002; Campbell and Marshall, 2002).

Accordingly, each of the attributes affecting stakeholder voice (Bryson, 2004) as well as stakeholder influence (Mitchell et al., 1997; Maignan, Ferrell and Ferrell, 2005) can be seen in a negative or positive context. Therefore the problem for the Council is not only how to choose key stakeholders, but how to positively address their respective influence and voice. This choice is an inherently political and situational one (Stone, 1997), which has ethical consequences (Cooper, 1998) that require judgement (Vickers and Vickers, 1998). Negative connotations can therefore arise when this judgement is used

incorrectly and the relationship between the organisation and the stakeholder may breakdown. Accordingly, the political dimension should not be discounted, as elected members are vital to this process and provide a link to many stakeholders (Dereli, 2003).

Therefore, whilst the concept of organisational stakeholders has been long established and its implications for strategic management are well understood, it has the following implications:

1. Different stakeholders may have commonality of purpose at a very general level, but at the more detailed level they would wish to impose different purposes and priorities on the Council;
2. The purposes and priorities emerge from the political interplay between different stakeholder groups;
3. Both politicians [elected members] and managers must understand the context in detail and be able to develop and implement strategies which are politically viable as well as 'rational'.

Source: Scholes (2001)

Accordingly, and drawing from the previous section, not only should the Council see the involvement of stakeholders as a method to improve strategy formulation; it should also view key stakeholders in a positive context to develop effective strategy.

Conversely, should the Council view stakeholders in a negative context or misdirect its attention away from key stakeholders, service delivery and strategic development will be hindered. These issues are directly relevant to the research question, as they impact upon the individual assessment of stakeholder voice and any resultant strategy. This study will therefore endeavour to ascertain whether stakeholders are indeed considered in a positive context by the Council.

Subject 4: Stakeholder voice - the bases of power

Stakeholder power is often difficult to define, but not difficult to recognise (Bunn et al., 2002) because stakeholders are socially constructed (Fineman and Clarke, 1996; Winn, 2001). This effectively makes their classification complicated in both rationale and methodology, as individual stakeholders themselves cannot be assumed to be either homogenous or stable because they belong to, and interact with, each other (Gao and Zhang, 2006). Therefore, the literature indicates that the problem of assessing the impact of stakeholder voice is because the Council, or indeed any organisation, has a complex relationship with its stakeholders and that each stakeholder does not have the same influence, trust or accountability. Furthermore, some stakeholders will be more capable than others at representing themselves and therefore capable of participating more effectively (Riege and Lindsay, 2006) to the potential detriment of service delivery or less capable, or less ‘vocal’, stakeholders.

In an attempt to analyse this complex arrangement, Freeman (1984) (supported by Savage, Nix, Whitehead and Blair (1991); Polonsky (1996); Kimery and Rinehart (1998)) provided a theoretical “stakeholder strategy matrix” that suggests organisations should apply a range of generic strategies to address stakeholders’ interests based on stakeholders’ ability to *threaten* and *cooperate* with the organisation (i.e. their “influencing ability”).

Freeman’s model is a useful tool for explaining an individual stakeholder’s interests and thereby providing managers with guidance as to how to manage stakeholder relationships (Savage et al., 1991; Polonsky, 1996 and Kimery and Rinehart, 1998) to increase organisational learning and legitimacy (Heugens, Van Den Bosch and Van Riel, 2002). Unfortunately, there has been limited empirical work examining the applicability of these generic strategies for stakeholders (Polonsky and Scott, 2005), which has lead more recent studies to criticise Freeman’s stakeholder strategy matrix as too restrictive in terms of defining stakeholders’ influencing abilities (Mitchell et al., 1997). Maignan et al. (2005) furthered this argument by using the work of Mitchell et al. (1997) and stated that stakeholder voice and influence is based on them possessing one of the following attributes: *power*, *legitimacy* and *urgency*.

Developing these original concepts, Scholes (2001) produced a similar “power/interest matrix” as a basic tool of stakeholder mapping, which is purported to be useful in analysing the political context in which strategies are developed; something which is of obvious interest to the local government context of this study. Accordingly, using the ideology developed by Bryson (2004), and the sources of power identified by Scholes (2001), this research will examine whether a given stakeholder’s voice is ultimately derived from power. Furthermore, this study will also examine whether this power derives from a stakeholder’s ability to “support” or “sanction” the Council, or whether other forces on stakeholder voice are prevalent.

Moreover, as stakeholders’ influences are highly situational or context specific (Polonsky and Scott, 2005) and that their influence is perceived as how powerful the stakeholder is, or perceived to be (Bailur, 2006), the Council should respond dependant upon how these influences will ultimately affect strategy. In an effort to explain this arrangement, Bunn et al. (2002) formulated “generic stakeholder management strategies” which suggest that the Council’s strategic formulation will be affected in one of four ways – *Defend; Monitor; Collaborate; Involve*.

These generic strategic responses are therefore indicative of the degree of influence of the stakeholder. Accordingly, the focus of the model is upon the individual stakeholder’s bases of power in relation to the Council’s purposes or goals; that is, it seeks to demonstrate that stakeholder voice can affect achievement of the Council’s aims. Accordingly, the overall impact of stakeholder voice should affect how the Council chooses to react to the stakeholder in one of four ways:

1. *Defend:* Detrimental stakeholder behaviours require the Council to reduce its dependency upon that stakeholder. Strategy should be guarded against this influence and not be shaped by it. Therefore, it is argued that a stakeholder with a strong ability to influence, but who did not support the strategy of the Council would be *defended* against;

2. *Monitor:* Where new stakeholder influences are evident, the Council may wish to gather information and observe relevant stakeholders, so that the Council's strategies can be preserved but not 'closed off' to the opinion of the stakeholder. Therefore it is argued that a stakeholder with a weak ability to influence, but who did not support the strategy of the Council would be *monitored*;
3. *Collaborate:* In response to stakeholder voice, the Council may wish to enter into strategic alliances or partnerships with the stakeholder. Therefore it is argued that a stakeholder with a strong ability to influence, but who does support the strategy of the Council would be *collaborated* with;
4. *Involve:* To improve/develop relations with a given stakeholder, it is argued that the Council may wish to *involve* the stakeholder directly in its strategic decision making process, where the stakeholder has a weak ability to influence, but who does support the strategy of the Council.

Source: Bunn et al. (2002)

These generic strategies will be tested through the primary research by their incorporation into the conceptual model, which is discussed at the end of this Chapter.

Subject 5: Stakeholder classification and a need for training

The usefulness of stakeholder theory has been identified as appropriate for the public sector (Tennert and Schroeder, 1999); however, the challenge for the Council is how to define the community in its stakeholder form (Altman, 2000) in such a way to account for its multiplicity and influence. The decision about how to define stakeholders is consequential as it affects *who* and *what* counts (Mitchell et al., 1997) and therefore it would be wise to begin any stakeholder identification and analysis process with a more inclusive definition (Bryson, 2004).

Of the numerous definitions of stakeholder within the literature, it is the deceptively simple but broad definition (Payne et al., 2005) contained in Freeman's (1984) seminal text that is the most widely quoted (Simmons and Lovegrove, 2005):

"...all of those groups and individuals that can affect, or are affected by, the accomplishment of organisational purpose."

Source: Freeman (1984)

It is important to emphasise the key word within this definition is "affect", as *both* the stakeholder and the organisation are affected by the relationship (Haberberg and Rieple, 2001). The application of this thinking is more apparent for the public sector (Clulow, 2005), as the adoption of New Public Management methods (Barlow and Rober, 1996) and more strategic business approaches are increasingly used (Llewellyn and Tappin, 2003).

Notwithstanding the criticisms outlined in the previous sections, stakeholder theory clearly expresses its ambitions for absorption and generalisation, as extending the organisational frontiers to all stakeholders is assumed to lead to a panacea view of the organisation (Antonacopoulou and Méric, 2005). Accordingly, stakeholders are identified and categorised in different ways (Gao and Zhang, 2006; Podnar and Jancic, 2006). However, the following categorisations are the most relevant to this research:

1. *Regulators* – for example central government, audit commission, private sector providers;

2. *Organisational* – for example customers, suppliers, employees, elected members, partner organisations;

3. *Community* – for example the general public, community groups;

4. *Media* – for example national and local newspaper, radio and television.

Sources: Rowley (1997); Henriques and Sadorsky (1999); Neely et al. (2002)

These categories are formulated into the conceptual model and will be tested by the primary research.

It is not surprising that having outlined several complex concepts in both stakeholder involvement and strategy formulation, that a final point should be raised regarding training and development. If managers are to fully understand the concepts outlined in this, and the previous sections, and also be able to implement these concepts as suggested by the literature, it is fundamental that those managers possess the necessary skills. However, given the aforementioned comments by Gallén (2006) who criticised managers as being unable or unwilling to consider strategic options, this study will enquire as to the level of training received by the Council's managers on both strategy formulation and stakeholder involvement.

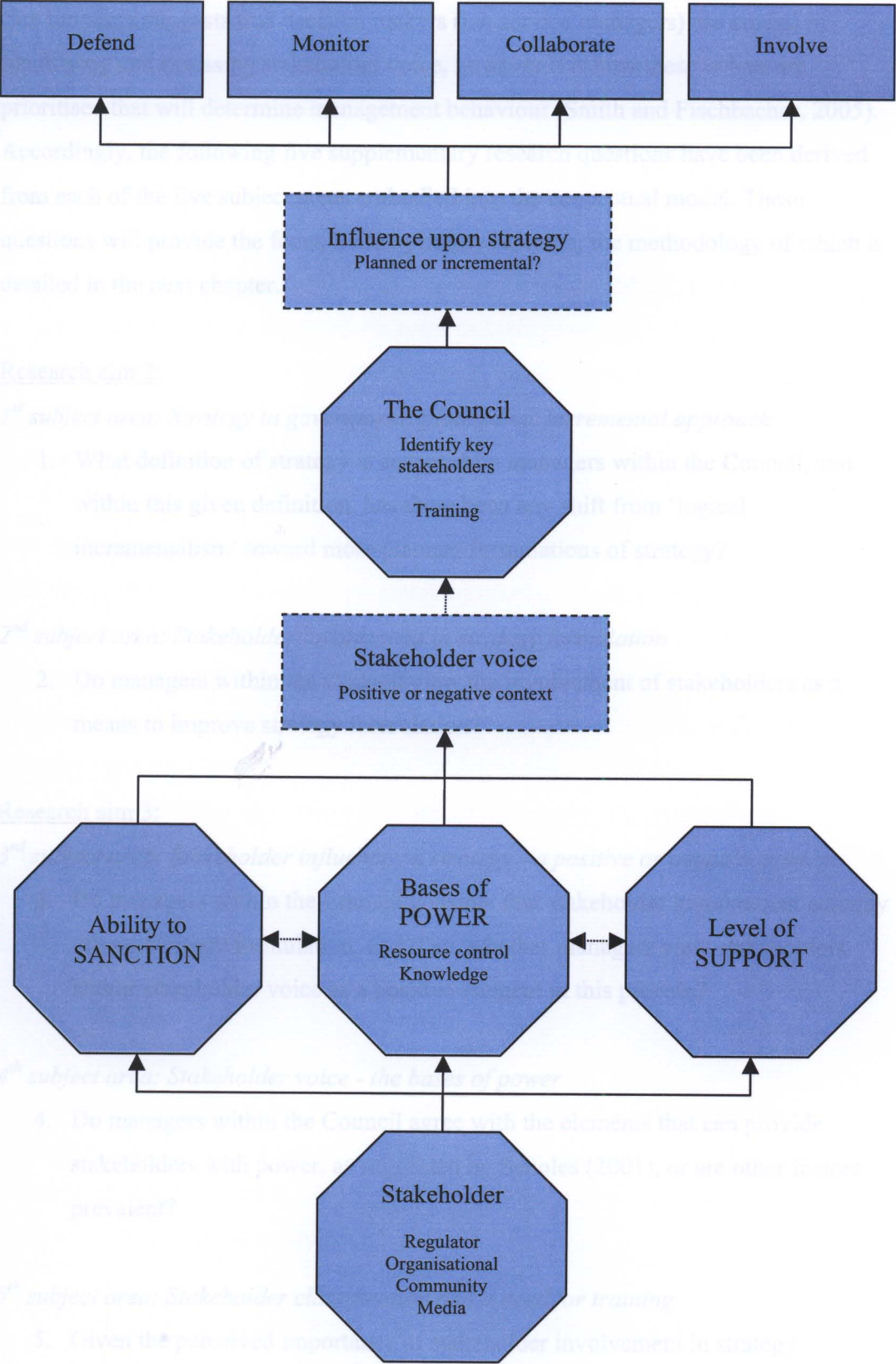
2.4 Conceptual model

To address the third aim of this study, the conceptual model provided at Figure 1 (page 26) embodies the five key subject areas taken from the literature review and theorises how these elements relate to one another in order to demonstrate how stakeholder voice can affect strategy formulation. Therefore, the conceptual model will be tested against the findings of the primary research (Fisher, 2007); a process by which the second and third research aims of this study will be addressed.

The conceptual model builds upon the “power versus interest” grid (Scholes, 2001) and the “bases of power” model (Bryson, 2004) to examine the impact of a stakeholder group upon strategy. By using the stakeholder categorisations offered by Freeman (1984) and Savage et al. (1991), the model aims to illustrate the sources of power available to the stakeholder that in turn derive stakeholder voice.

Accordingly, the model [following the diagram upwards from its base] postulates that stakeholder voice is ultimately derived from a stakeholder’s power as well as the stakeholder’s ability to sanction or support the Council’s specific strategic aims. Furthermore, as the literature suggests that stakeholders’ influences are highly context specific (Polonsky and Scott, 2005), and given that influence is perceived as how powerful the stakeholder is (Bailur, 2006), the model suggests that the Council, drawing upon its ability to identify key stakeholders, will consider the stakeholder voice in either a positive or negative context. This will in turn have an effect upon strategy depending upon whether a planned or incremental approach has been adopted. Subsequently, the model suggests that the Council’s strategic formulation will be affected in one of four ways – *Defend*; *Monitor*; *Collaborate*; *Involve* (Bunn et al., 2002).

Figure 1: Conceptual model of stakeholder voice and its impact upon strategy



Sources: Freeman (1984); Savage et al. (1991); Scholes (2001); Bunn et al. (2002), Bryson (2004).

2.5 Summary

The literature suggests that decision makers (i.e. service managers) are crucial in identifying and assessing stakeholder voice, however it is how these voices are prioritised that will determine management behaviour (Smith and Fischbacher, 2005). Accordingly, the following five supplementary research questions have been derived from each of the five subject areas embodied into the conceptual model. These questions will provide the focus for the primary research, the methodology of which is detailed in the next chapter.

Research aim 2:

1st subject area: Strategy in government: planned vs. incremental approach

1. What definition of strategy is accepted by managers within the Council, and within this given definition, has there been any shift from 'logical incrementalism' toward more planned formulations of strategy?

2nd subject area: Stakeholder involvement in strategy formulation

2. Do managers within the Council view the involvement of stakeholders as a means to improve strategy formulation?

Research aim 3:

3rd subject area: Stakeholder influence on strategy - a positive or negative context

3. Do managers within the Council consider that stakeholder involvement actually affects strategy formulation, and if so, whether managers view stakeholders and/or stakeholder voice as a positive element in this process?

4th subject area: Stakeholder voice - the bases of power

4. Do managers within the Council agree with the elements that can provide stakeholders with power, as suggested by Scholes (2001), or are other factors prevalent?

5th subject area: Stakeholder classification and a need for training

5. Given the perceived importance of stakeholder involvement in strategy formulation, how do managers classify stakeholders and what training has been provided for the Council's managers for this purpose?

3 Methodology

3.1 Introduction

Having contextualised the relevant literature to the research aims throughout the previous Chapter and constructed the conceptual model, the methodology must test this model by its comparison to primary data in order to address the research question. However, a dichotomy exists in epistemological positioning toward stakeholder theory within a given research approach (Simmons and Lovegrove, 2005). This is because hard epistemologies require adherence to the positive paradigm and use experimental groups within a controlled environment to delineate influences on dependent variables. However, stakeholder theory has conventionally been located within the alternative research paradigm, where soft epistemological stances are required as different stakeholders experience the same reality differently.

This study suggests that this dichotomy between the need for quantitative and qualitative methodologies can be overcome by combining them within stakeholder analysis. An eclectic stance on research philosophy and method is of particular attraction to stakeholder theory, as researchers have acknowledged its potential to integrate themes in economic and social enquiry (Donaldson and Preston, 1995), whilst avoiding “mindless empiricism” without “disappearing into the realm of meta-theory” (Burgoyne, 1999). The importance of using statistical methods for stakeholder phenomena, therefore, lends itself to quantitative analysis alongside qualitative data on experiences and expectations (Burgoyne, 1999). This approach is explained in greater detail in Section 3.3 of this Chapter.

3.2 Methodological considerations

The time constraints upon this study provide further support for a combination of quantitative and qualitative analysis, however, these constraints have also dictated the data collection methods used. This following list details these data collection methods, in the order they were undertaken:

1. Detailed review of academic literature, which identified five key research subjects borne out of the research aims. A single supplementary research question was produced from each of the five research subjects, which will address the concepts contained within the research question. This information

aided design and content of the self administered questionnaire and semi-structured interviews;

2. Examination of the available secondary data within the Council that provides service managers with guidance on stakeholder involvement and/or strategy formulation;
3. A focus group of seven service managers was employed to pilot the self administered questionnaire for content and reliability (Mitchell, 1996). Feedback from the focus group led to several amendments to the questionnaire prior to distribution;
4. A specifically designed anonymous self administered questionnaire was distributed by email (to offer greater control (Witmer, Colman, and Katzman, 1999)) to a population size of all 57 service managers within the Council. The questionnaire aimed to answer the five supplementary research questions. The resultant quantitative data was analysed using SPSS software (version 16.0) and informed six semi-structured interviews, which were held with six service managers chosen at random from the population;
5. The six semi-structured interviews provided qualitative data to allow more detailed analysis of the five supplementary research questions to build upon, and triangulate, the quantitative data gathered from the questionnaires. Interviews were recorded to ensure accuracy and reliability and the responses organised and coded to the five supplementary research questions (Saunders et al., 2007) to allow for suitable analysis.

3.2.1 Justification for the selected paradigm and methodology

Given aforementioned time constraints upon this study and the dichotomies within stakeholder theory, a pragmatic view has been taken toward this research and therefore a combined approach and philosophy has been adopted. An epistemological stance of *positivism* has been adopted as the literature review advocates a stakeholder approach as a means to foster effective strategy formulation. Moreover, a positivist approach will allow the hypotheses contained in the conceptual model to be tested (Saunders et al.,

2007). However, given the issues surrounding the chosen epistemological stances for this research, it would be insightful to consider the limitations of a positivist approach in this regard. Therefore, an *interpretist* stance has also been adopted, as it is necessary to understand the differing human relationships when involved as ‘social actors’ in the roles of both stakeholder and service manager. More importantly, an *empathetic* approach is also vital to interpret these roles so that the concept and impact of stakeholder voice within the context of strategy formulation can be examined.

The combined philosophy of this study uses ontology of *subjectivity*, as not only is it necessary to examine the subjective meanings that motivate the actions of the aforementioned social actors, but it is important to understand these actions in the context of their roles as stakeholder and service manager. Furthermore, a *regulatory perspective* has also been adopted because the literature review supports the involvement of stakeholders in the development of local government strategy. Accordingly, the fourth research aim of this study is to recommend improvements within the Council’s existing framework, rather than to suggest a complete overturn of the Council’s priorities.

Using Burrell and Morgan’s (1979) “analysis of social theory”, this combined philosophy supports the *interpretive* paradigm, as the research question is fundamentally about how humans make sense of the world around us and *how* the Council reacts to this when formulating strategy. This is particularly important given the need to understand if strategy is *affected* by stakeholder voice.

Having described the research philosophy, it is useful to outline the implications of this philosophy upon the chosen research approach (Jankowicz, 2002). The fundamental positivist philosophy of this research, combined with the need to compare primary data with the conceptual model, necessitates a *deductive* approach. However, it is often advantageous to combine this *deductive* approach with *induction* (Saunders et al., 2007), and therefore, the primary data has been supplemented with analysis of secondary sources within the Council. This has been carried out to ascertain how the Council currently addresses stakeholder voice when formulating strategy.

The research strategy will therefore address the research question by the collection of both quantitative and qualitative data (Saunders et al., 2007). Quantitative research has

been chosen as, not only does this support the research philosophy and approach, it is essential to obtain data that describes the Council's current approach to stakeholder voice when formulating strategy, as well as whether the concepts behind stakeholder voice are acknowledged, understood and implemented. Therefore, quantitative research is appropriate to answer each of the five supplementary questions and the use of a self administered questionnaire is justified as this method is suited to the collection of quantitative data (Fisher, 2007). Moreover, given the short time allocated to this research, a questionnaire is also relatively quick to complete, economic and easy to analyse (Bowling, 1997).

Whilst analysis of the quantitative data enabled classifications and trends to be identified within the results to address the five supplementary research questions, the quantitative data also supported the six (Robson, 2002) semi structured interviews. These interviews were held with six service managers, chosen at random from the sample, and were used to obtain qualitative data of managers' experiences and expectations. The content of the semi structured interviews was organised and coded to the five supplementary questions and supported purely from the quantitative data obtained to prevent bias (Jankowicz, 2002).

The use of qualitative research is also appropriate to the research question and aims as tacit knowledge and subjective understanding, and interpretation, (Marshall and Rossman, 2006) is required to determine service managers' perceptions of stakeholder voice and its impact upon strategy formulation. Moreover, the combined strategy of obtaining both quantitative and qualitative data is used to reduce potential risk of bias by the triangulation of the primary data (Jankowicz, 2002; Silverman, 2006; Saunders et al., 2007).

3.2.2 Rejected models

The research strategy has been chosen in the context of the available literature as the most suitable means to address the research question, and therefore, several other research philosophies and approaches have been rejected as being unsuited to either the research question and/or the contextualised literature review.

Accordingly, although it shares similarities to *positivism* (Saunders et al., 2007), an epistemological stance of *realism* has not been chosen because this philosophy supports the use of observation to study reality, whereas positivism supports the need to understand the actions of the social actors to the strategy formation process. To gain this understanding, the aforementioned data collection methods have been adopted to gain an insight as to why these social actors make their decisions. Such levels of data could not be obtained if observation techniques were employed using a *realist* philosophy.

Similarly, ontology of *subjectivism* has been favoured over *objectivism* because the study of the perceptions and consequent actions of stakeholders and service managers are fundamental to this research. Ontology of *objectivism* would assume that the Council operates within a reality external to these social actors, which is clearly not representative of the relationship that the Council holds with its numerous stakeholders.

Returning to Burrell and Morgan's (1979) analysis of social theory, and taking account of the above paragraphs, the combined philosophy and approach used in this research clearly does not support the *radical humanist*, *radical structuralist* or *functionalist* paradigms.

3.3 Research design

Given the impact of time constraints, the combined nature of this research and the aforementioned need to gather qualitative as well as quantitative data, a self administered questionnaire was used to obtain quantitative data and semi structured interviews used to gather qualitative data.

A population size of all 57 service managers employed by the Council was chosen for this research, as it is these individuals who have the responsibility for developing the majority of the Council's strategies and also have the most direct contact with its stakeholders when formulating strategy. Given the relatively low numbers (Stutely, 2003) within the population, data could be gathered from the entire population and therefore a representative sample was not required. Accordingly, a high level of confidence was achieved as the primary data collected will directly represent the entire population. This, in turn, eliminated any margin for error or bias (Jankowicz, 2002)

associated with adopting a sample from the population and also allowed greater freedom in statistical analysis techniques (Saunders et al., 2007).

Secondary data, that aims to provide the Council's service managers with guidance on stakeholders and strategy, was obtained from the Council's intranet service as this is the key tool that all documented guidance is administrated throughout the Authority.

3.4 Research procedures

3.4.1 Self administered questionnaire

To make an informed choice of self administered questionnaire for this study, the relevant factors offered by authors including Bell (2005), Jankowicz (2002), Fisher (2007) and Saunders et al. (2007) were considered. Therefore, given the relatively small population size, the potential impact of a low response rate had to be considered. As the population comprised of middle management employees, there was a high degree of confidence that each respondent would consider the questionnaire, but a method of control had to be maintained to ensure a significant response rate. Accordingly, an electronic format was chosen for the self administered questionnaire, as all service managers have access to, and use, email. Moreover, this method also allowed several 'follow up' emails to be generated to further improve response rates (Witmer et al., 1999). The suggested four to six week time frame for the collection of data obtained from electronically administered questionnaires offered by Saunders et al. (2007) also fit into the overall time allocated to this research.

The use of a questionnaire assumes that the researcher and respondent share underlying assumptions about language and interpret statement wording in a similar manner (Rattray and Jones, 2007), therefore, suitable questionnaire design was essential (Jankowicz, 2002; Saunders et al., 2007). Accordingly, the questions contained in the self administered questionnaire were precisely defined prior to data collection (Saunders et al., 2007). To ensure that only essential data was collected, a data requirements table was prepared (Appendix 2, page 99) so that each question was directly associated to the second and third aim of this study and also to the five supplementary research questions. This ensured that each question [within the questionnaire] clearly identified the required data variable (Dillman, 2000), which in turn improved the validity and reliability of the expected data (Foddy, 1994).

Significant effort was made to ensure that the layout of the questionnaire was attractive to the respondent. Whilst not appearing too long (Dillman, 2000), at seven sides of A4 paper, the questionnaire complied with the suggestions of Saunders et al. (2007) for within-organisation self administered questionnaires. The contents of the data requirements table were continually compared with draft versions of the questionnaire to ensure the wording and order of the questions follow the guidelines stipulated within Jankowicz (2002) and Fisher (2007) to ensure the questions followed a logical order to steer the respondent and elicit accurate responses.

To provide increased confidence in the reliability, validity and suitability of the questionnaire, it was piloted to a focus group of seven service managers (12.06% of the total population) on the 28th February 2008. Each member of the group was asked to complete the questionnaire and provide feedback as suggested by Bell (2005).

Appendix 3 (page 102) details the feedback from the focus group, as well as the respective amendments made to the self administered questionnaire. Appendix 4 (page 104) provides the final format of the questionnaire.

As the majority of the data collated by the self administered questionnaire is categorical to the five supplementary questions, the results were analysed using SPSS software (version 16.0) to provide frequency data analysis of the dichotomous, nominal and ordinal variables obtained. The results of the self administered questionnaires were received from the 3rd to 28th March 2008 and are presented throughout Chapter 4.

3.4.2 Semi structured interviews

A qualitative semi structured interview is considered upon its width rather than its depth (Wengraf, 2001), and is therefore formulated from a few predetermined general topics [the five supplementary research questions] to help uncover the participants' views, but otherwise respects how the participant frames and structures the responses (Marshall and Rossman, 2006). This approach not only facilitated the open nature of each interview, but also helped to improve the reliability of the expected data (Saunders et al., 2007). All interviews were conducted from the 7th to 11th April 2008.

Accordingly, the semi structured interviews were organised around the quantitative data provided from the self administered questionnaires and the available literature. This

allowed the interviews to build upon the responses from the self administered questionnaire to examine the impact of stakeholder voice upon strategy development by comparison of the empirical data with the conceptual model.

The central theme of this study and the responses from the self administered questionnaires also allowed coding to each of the five supplementary research questions to take place, so that each response was considered systematically during each interview (Jankowicz, 2002). To improve the creditability of the data (Saunders et al., 2007), the five key research subjects were provided to each interviewee prior to the interview, which allowed the interviewee to consider their position before the interview. Similarly, to facilitate an open discussion, each interview was conducted in the individual service manager's office to ensure a relaxed and private location. Furthermore, each interviewee was reminded of the purpose of the interview itself and how the information they provided would be used during the research, as a means to gain their confidence.

In a similar manner to the self administered questionnaire, the wording of the questions used in the semi structured interviews was important (Fisher, 2007), however the open nature of this interviewing technique meant that steering had to be employed to ensure an appropriate response was elicited (Jankowicz, 2002). Therefore in addition to contextual data (Saunders et al., 2007) gathered for each interview, the content of the conversation was recorded (using an Olympus VN-3100PC digital voice recorder) to improve the reliability of the data (Marshall and Rossman, 2006). However, to avoid bias and to preserve confidentiality, this contextual data was removed from the interview transcripts prior to the content analysis of the data (Jankowicz, 2002). The various coded statements recorded from the interviews were organised against each of the five supplementary research questions and are presented throughout Chapter 4 as verbatim quotations to triangulate the quantitative data obtained from the questionnaires (Jankowicz, 2002; Marshall and Rossman, 2006; Silverman, 2006).

3.4.3 Secondary data analysis

To supplement the primary data, and to contextualise the questions contained within the self administered questionnaires and semi structured interviews, the corporate guidance with regard to strategy formulation and stakeholder involvement available to the Council's service managers was obtained.

The Council operates a developed structure of performance management; however the only available documented guidance for service managers was the *Performance Management Guide*, produced by the Policy and Performance Unit of the Council. This was a twelve page guidance document, which focused predominantly upon the performance management framework within the Authority. Therefore the amount of information appertaining to stakeholder involvement was extremely limited and only two pages were dedicated to strategy formulation, which also was limited in content. Appendix 5 (page 111) provides the relevant section of this document.

Accordingly, the value of the document is limited to the second aim of this study only, and as such, the analysis of this secondary source is required to address the first supplementary research question presented within Chapter 4. However, the overall apparent lack of guidance for service managers substantiated the need for the primary research to ascertain exactly how the Council's service managers perceived strategy. Therefore, it was appropriate for the self administered questionnaires to explore service managers' opinions of this guidance and how service managers assimilated this information (or the lack thereof) to determine and assess stakeholder views to make informed judgements when formulating strategy.

3.5 Ethical considerations

The principles contained in the University's Faculty of Business and Management Ethics Policy (University of Chester, 2007), in addition to the guidance offered by Jankowicz (2002), Fisher (2007) and Saunders et al. (2007), raised several ethical issues surrounding the combined nature of this research, namely:

1. *Sponsor coercion* – no direct influence was made by the Council upon the choice of research topic and therefore no external influences bore upon the researcher. Similarly, given that the research question aims to examine stakeholder influence upon the Council, the recommendations will not be directly critical of the Council's approach, rather they will provide options for improving the way the Council adapts to these perceived influences;

2. *Access* – as the researcher was employed by the Council, the granting of access for the research was not necessary, however consent for the research was obtained via the researcher's immediate line manager (submitted as part of the research proposal);
3. *Privacy and confidentiality* – an initial risk assessment of the nature of this research indicated that the risk of obtaining any specific personal information, or other information that is sensitive and/or confidential to the Council, was very low. However, to preserve anonymity throughout this research, no reference has been made to the individual Council or to any persons that have contributed to this research. Accordingly, all references have been removed from secondary data and all self administered questionnaires were completed anonymously. Whilst the same degree of anonymity could not be preserved during the semi-structured interviews, the results of all interviews were made anonymous. Furthermore, all interviews were conducted in private to protect the respondent and allowed them the freedom to comment with confidence. Accordingly, all participants to the interviews had access to their information at any time and were able to withdraw at any time;
4. *Informed consent* – all participants were informed of their role in this research and were provided with explicit information as to the nature and reasons for the research, what was expected of them and how results would be handled. Accordingly, these issues were made clear to all respondents by a covering email that preceded the questionnaires, as well as detailed on the questionnaire itself. Informed consent was particularly important for the semi-structured interviews as the interviews were recorded, and therefore all participants were fully briefed to ensure the participant fully understood their role in this research;
5. *Respondent deception* – the design of the self administered questionnaire and semi-structured interviews, outlined earlier in this Chapter, endeavoured to minimise this risk through clear and unambiguous questioning;

6. *Interviewer/response bias* – the use of written pre-determined questions applied through consistent questioning techniques during the semi structured interviews prevented potential omission of questions or other inaccuracies that could have lead to bias. This risk was further reduced by the use of open questions (Saunders et al. 2007) and triangulation of the qualitative data with the quantitative data obtained from the self administered questionnaires.

3.6 Summary

The use of the combined research strategy has enabled rich and detailed data to be obtained, which is presented throughout Chapter 4. Whilst the secondary data analysis demonstrated the limited and contradictory content of the guidance available for service managers, this allowed the content of the self administered questionnaire to explore the five supplementary research questions [outlined in Chapter 2] to gauge service managers' opinions relating to the available guidance and to how service managers determine and assess stakeholder views to make informed judgements when formulating strategy. The issues arising from the quantitative data compiled from the questionnaires then informed the semi structured interviews, which explored the five supplementary research questions in greater detail, by examining those instances where stakeholders have had a direct impact on strategy.

4 Findings

4.1 Introduction

The results from the self administered questionnaires and semi structured interviews are presented throughout this Chapter. The data has been separated thematically under each of the five supplementary research questions to provide a clear link to the five subject areas outlined in Chapter 2.

Chapter 5 of this study will discuss these findings within the context of the relevant literature, and therefore this Chapter is restricted to the presentation and outline analysis of the data only.

4.2 Application of methodology

The population comprised of all 57 service managers employed by the Council. No analysis has been provided with regard to age or gender, however, all respondents are collectively responsible for the provision of all Council services.

A response rate of 77.19% (44 respondents) was observed from the self administered questionnaire. SPSS software (version 16.0) was used to provide suitable and reliable statistical analysis of this quantitative data. Qualitative data was also collected from the self administered questionnaire by the completion of free text responses; however, further qualitative data was provided from the semi structured interviews. The various coded statements recorded from the interviews were organised against each of the five supplementary research questions and are presented throughout this Chapter as a verbatim quotations to triangulate the quantitative data.

4.3 Findings for each research question

4.3.1 1st supplementary research question [research aim 2]

What definition of strategy is accepted by managers within the Council, and within this given definition, has there been any shift from 'logical incrementalism' toward more planned formulations of strategy?

Initially, it was important to consider whether service managers were actually required to formulate strategies. Table 1 details the responses observed.

Table 1: Number of managers required to formulate strategy

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	43	97.7	100.0	100.0
No	0	0.0		
no response (missing)	1	2.3		
Total	44	100.0		

Table 1 illustrates that the majority 97.7% (43 responses) of managers were required to formulate strategy.

Managers were then asked to select one of five definitions of strategy, taken from the literature, with which they could most associate. Table 2 provides the responses.

Table 2: Managers’ definition of strategy

	Frequency	Percent	Valid Percent	Cumulative Percent
An emergent process resulting from bargaining with stakeholders	7	15.9	15.9	15.9
An intentional planned sequence of analytical, logical & rational procedures	15	34.1	34.1	50.0
An unrealised process developing from existing experience, attitudes, values & perceptions	1	2.3	2.3	52.3
An incremental step by step approach toward a vision/goal	21	47.7	47.7	100.0
Total	44	100.0	100.0	

The results in Table 2 demonstrate that the majority (47.7%, 21 respondents) still perceived strategy as an incremental process, which is in keeping with many authors’ studies of the public sector (including local government). However, there appears to be some confusion between tactical and truly strategic issues, as one manager observed during the interview that:

1.1 Quotation:

“There is some mysticism as to what strategy is within the Council.”

It is therefore interesting to note that Table 2 indicates that 34.1% of managers (15 respondents) suggested that they would adopt a planned approach to strategy. When examining this potential shift, a more pragmatic view of strategy was presented, where the demands upon managers' time is a factor that appears to dictate whether a planned or incremental approach to strategy is taken:

1.2 Quotation:

"We work in a small authority, so managers wear many different hats; so generally speaking, you do see your work progressing incrementally. However, when dealing with a specific project you have to consider a more planned approach."

1.3 Quotation:

"You don't have the luxury of time, or the ability to sit back and make the time because of the day job."

1.4 Quotation:

"I try to step back and look strategically, and arguably, we should be doing more of this."

1.5 Quotation:

"Looking strategically is partly who you are, but also what you are because of your experience and training."

In addition to the operational demands upon service managers, the structure of the Council also appeared to be a factor in determining a manager's given approach to strategy formulation:

1.6 Quotation:

"We do not have any strategic directors, so there's no one officially thinking strategically."

1.7 Quotation:

"Heads of service are forced to be more operational because of the flat structure of the Council, meaning there's even less time for them to focus on strategy."

However, some examples of effective strategic formulation were also presented, including the involvement of stakeholders:

1.8 Quotation:

“We were very good at providing a domestic refuse collection service, but when we needed to consider alternate weekly collections, we involved members, other local authorities and the public, and so we had a very clear process as to how this would be achieved.”

Elected members, perhaps somewhat unsurprisingly, were also highlighted by managers as a major influence upon strategy:

1.9 Quotation:

“We have good ideas, but because strategy is guided by members, it loses direction. The value of these ideas is diminished as members currently do not think strategically.”

However, it was also evident, that if provided with sufficient guidance from the dominant political party, elected members could provide a useful steer for managers to improve service delivery:

1.10 Quotation:

“This organisation does really well when it gets that steer [from members] and then we can look strategically.”

These results are interesting in the context of the available secondary data. The control of strategies, plans and policies was embodied within the Council’s *Performance Management Cycle*, which aimed to monitor performance effectively and efficiently in an open and transparent way. A *Performance Management Framework* (PMF) also existed, which included the monitoring of strategies, however, much of the PMF concentrated on the Council’s *Corporate Performance Plan*, which compared performance over previous years with current levels of performance. The Corporate Performance Plan was supplemented by *Divisional* and *Service Action Plans*, which were 'owned' by individual managers.

In keeping with this developed structure of performance management, the Council had produced documented guidance for service managers - the *Performance Management Guide*. Much of the focus of this twelve page guidance document was upon performance management and therefore only two pages of limited content were dedicated to strategy formulation. Furthermore, there was no substantive information relating to stakeholder involvement. Appendix 5 (page 111) provides the relevant section of this document.

Given the obvious focus upon performance management, it was not surprising that the document supports a planned approach, rather than an incremental approach, to strategy. However, the document contradicted this approach by suggesting that strategy should evolve over time to changes “within the Council and from outside”. Furthermore, the document referred to many “strategic issues”, when many of these issues were quite ambiguous and could be considered tactical, rather than truly strategic. The document did making passing reference to stakeholders, but made no attempt to suggest how to engage, assess or judge the impact of stakeholder voice or how these forces can impact upon strategy formulation.

4.3.2 2nd supplementary research question [research aim 2]

Do managers within the Council view the involvement of stakeholders as a means to improve strategy formulation?

To answer this question, it would be insightful to obtain a contextualised analysis of how managers define a stakeholder, as well as whom managers consider to be stakeholders. Accordingly, managers were asked to select one of five definitions of a stakeholder, taken from the literature, which was the most relevant to them. Table 3 illustrates these responses.

Table 3: Managers’ definition of a stakeholder

	Frequency	Percent	Valid Percent	Cumulative Percent
All who depend on the organisation for own goals & who the organisation depends	2	4.5	4.7	4.7
All who can affect, or are affected by, organisational purpose	17	38.6	39.5	44.2
All who can affect, or are affected by, organisational strategy	15	34.1	34.9	79.1
Anyone who can place a claim on organisation's attention, resources or output	7	15.9	16.3	95.3
All with power to respond to, negotiate with, & change strategic future of organisation	2	4.5	4.7	100.0
Total	43	97.7	100.0	
no response (missing)	1	2.3		
Total	44	100.0		

Whilst it is encouraging to note that Table 3 supports Freeman’s (1984) definition (38.6%, 17 respondents), it is also interesting to note that the two most popular definitions were those that contained the word “affect”, suggesting a definite relationship or impact of the stakeholder upon the organisation.

If managers are unsure of the definition of a stakeholder, the data suggested that their assessment of a stakeholder relationship could be flawed. Whilst stakeholder classification data will be presented later, managers were asked if they considered stakeholders to be important to their work. Figure 2 outlines the responses, whereas Appendix 6 (page 113) provides the descriptive data used to construct the Figure.

Figure 2: Relative importance of stakeholders to managers' work

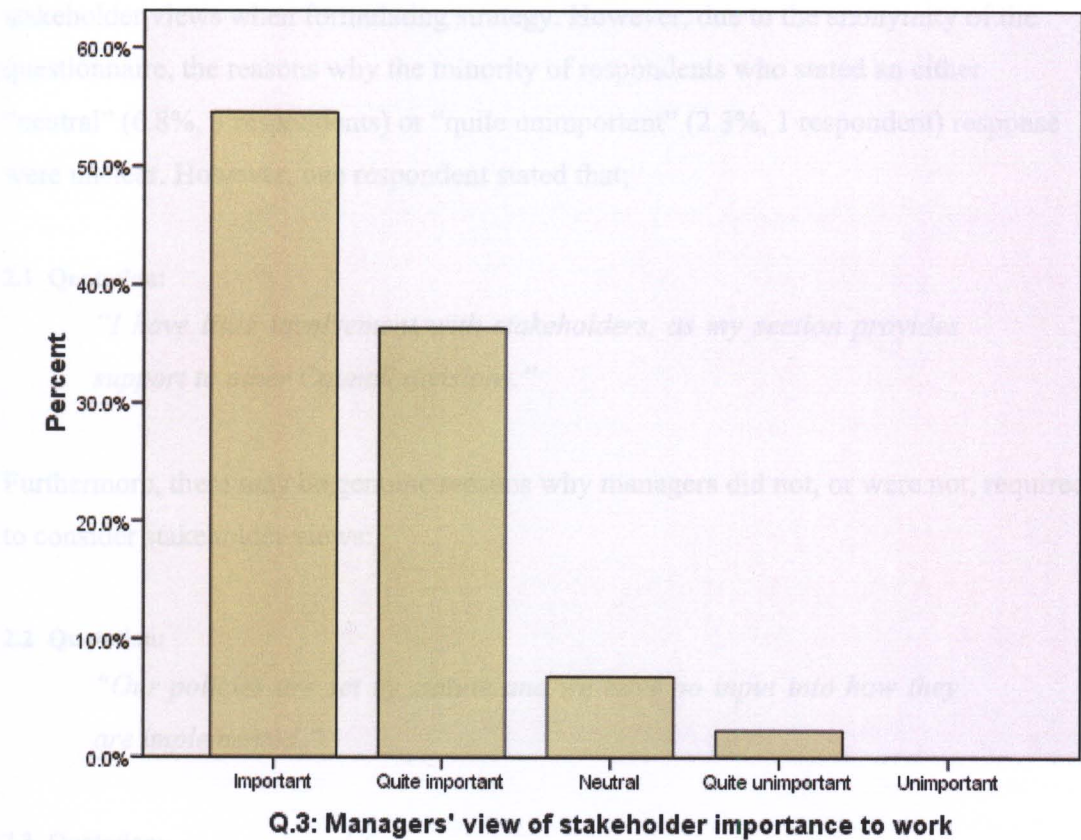


Figure 2 illustrates that the majority of managers considered stakeholders to be either “important” (54.5%, 24 respondents) or “quite important” (36.4%, 16 respondents) to their work. Whilst it is encouraging that no managers thought that stakeholders were completely unimportant to their work, the data indicated the overall importance of stakeholders and therefore managers should consider their views when formulating strategy. Accordingly, Table 4 illustrates the number of managers who stated that they actually did consider stakeholder views when formulating strategy.

Table 4: Number of managers stating they considered stakeholder views when formulating strategy

	Frequency	Percent	Valid Percent	Cumulative Percent
No	2	4.5	4.7	4.7
Yes	41	93.2	95.3	100.0
Total	43	97.7	100.0	
no response (missing)	1	2.3		
Total	44	100.0		

Table 4 shows that 93.2% (41 respondents) of managers stated that they did consider stakeholder views when formulating strategy. However, due to the anonymity of the questionnaire, the reasons why the minority of respondents who stated an either “neutral” (6.8%, 3 respondents) or “quite unimportant” (2.3%, 1 respondent) response were unclear. However, one respondent stated that;

2.1 Quotation:

“I have little involvement with stakeholders, as my section provides support to other Council divisions.”

Furthermore, there may be genuine reasons why managers did not, or were not, required to consider stakeholder views:

2.2 Quotation:

“Our policies are set by statute and we have no input into how they are implemented.”

2.3 Quotation:

“Sometimes consideration of stakeholder views is not appropriate.”

Given that the results are indicative that the majority of managers perceived that stakeholders are important to their work and that they also considered the views of stakeholders when formulating strategy, Figure 3 outlines the responses that were received when managers were asked if they felt that stakeholder involvement actually improves strategy. Appendix 7 (page 114) provides the descriptive data used to construct the Figure.

Figure 3: Managers’ perceptions of stakeholder involvement in strategy formulation

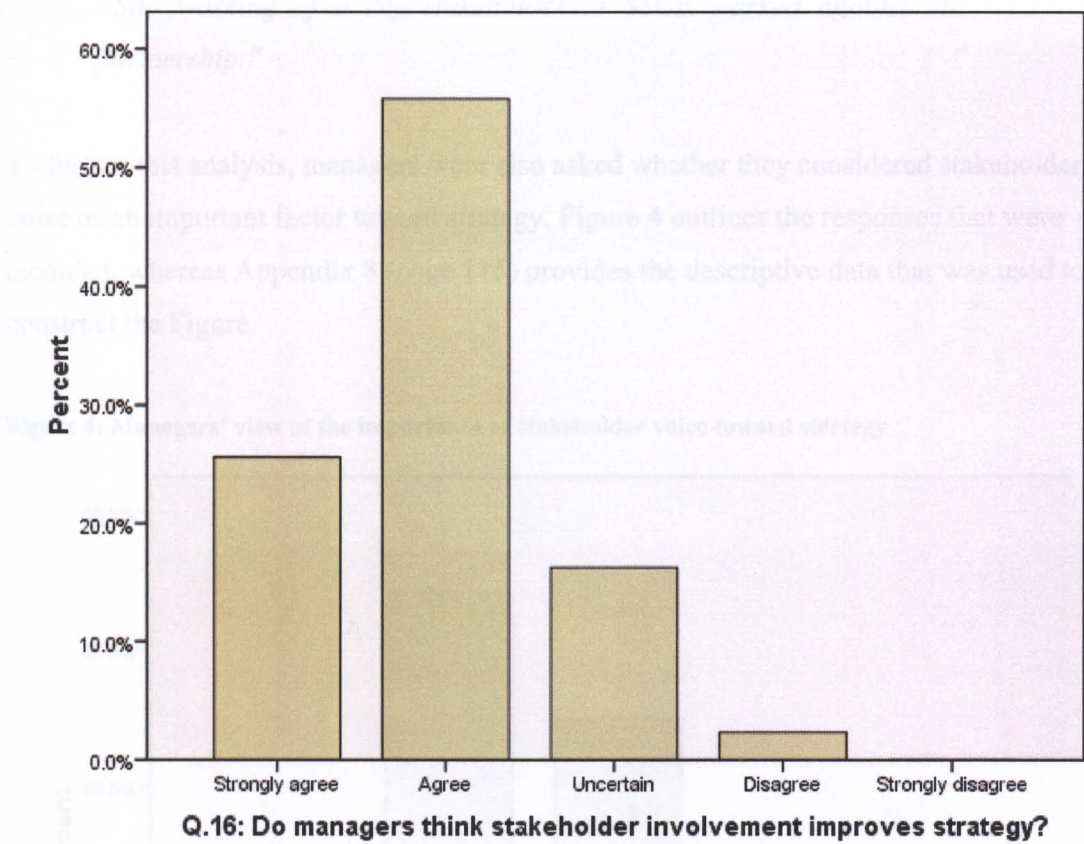


Figure 3 indicates that the majority of managers either “strongly agreed” (25%, 11 respondents) or “agreed” (54.5%, 24 respondents) that stakeholder involvement improves the formulation of strategy. However, it is interesting to note that whilst no managers “strongly disagreed” that stakeholder involvement improves strategy, 15.9% (7 respondents) were “uncertain” and 2.3% (1 respondent) “disagreed”. Whilst the anonymous nature of the questionnaire prevented further investigation, several comments were recorded that could suggest reasons why stakeholder involvement could be considered harmful to strategy:

2.4 Quotation

“Central government ‘best practice’ can be detrimental to local circumstances.”

2.5 Quotation:

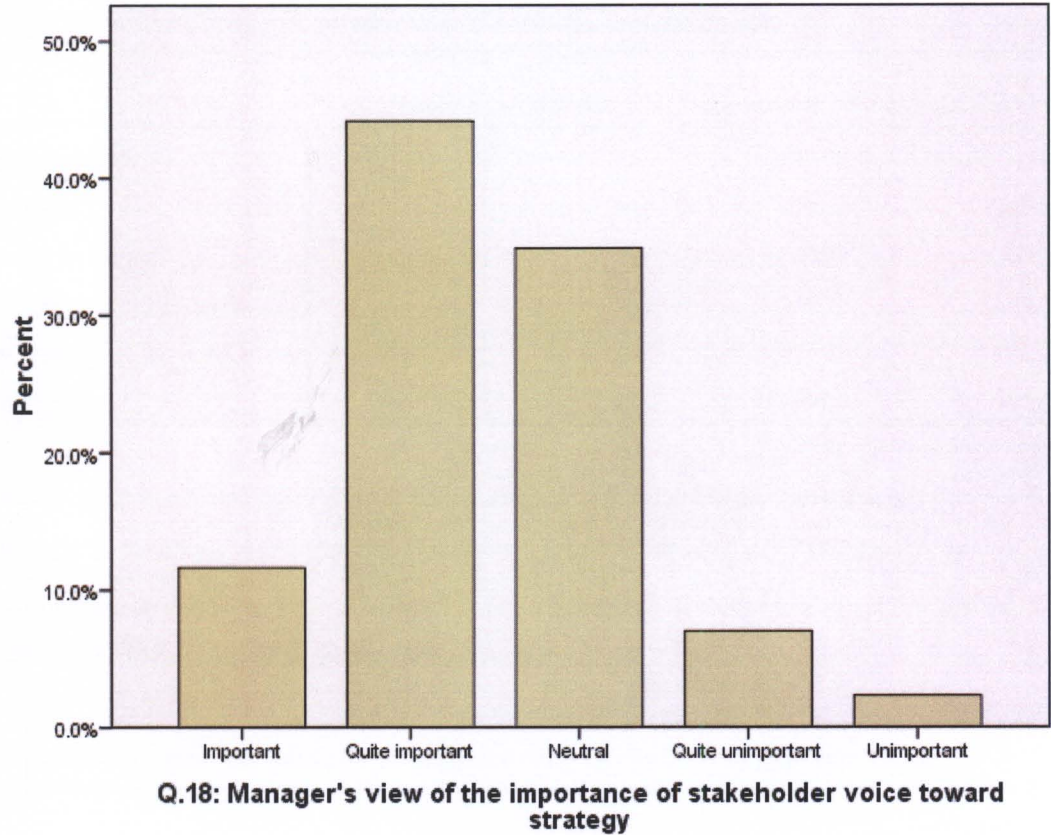
“Local objections were made to the affordable housing strategy, when they had previously stated that it was needed.”

2.6 Quotation:

“Silo working of a key stakeholder to SSCF worked against the partnership.”

To further this analysis, managers were also asked whether they considered stakeholder voice as an important factor toward strategy. Figure 4 outlines the responses that were recorded, whereas Appendix 8 (page 115) provides the descriptive data that was used to construct the Figure.

Figure 4: Managers’ view of the importance of stakeholder voice toward strategy



The results in Figure 4 indicate that stakeholder voice is a situational concept. Accordingly, the importance of voice would depend upon which stakeholder the manager was engaging with, and whether those views were supportive or contrary to strategic aims. This concept was supported by comments recorded during the interviews:

2.7 Quotation:

“Different stakeholders have different power and influence.”

2.8 Quotation:

“Stakeholder influence is positive as well as negative; direct and indirect.”

2.9 Quotation:

“Stakeholders are all different and have different values, positive or negative.”

4.3.3 3rd supplementary research question [research aim 3]

Do managers within the Council consider that stakeholder involvement actually affects strategy formulation, and if so, whether managers view stakeholders and/or stakeholder voice as a positive element in this process?

To address this question, it would be insightful to examine whether any factors affect how managers engage with stakeholders. Managers were therefore asked to select as many factors as they thought appropriate from a list of factors that may affect their choice of stakeholder. Table 5 details the responses.

Table 5: Factors that managers consider restrict their choice of stakeholder

	Frequency	Percent	Valid Percent	Cumulative Percent
Higher management	7	15.9	100.0	100.0
Legislation	22	50.0	100.0	100.0
Stakeholder power	16	36.4	100.0	100.0
Stakeholder ability to sanction	9	20.5	100.0	100.0
Level of stakeholder support	9	20.5	100.0	100.0
No restrictions	12	27.3	100.0	100.0

The data in Table 5 indicates that both legislation and stakeholder power were the dominant factors that managers considered to restrict their choice of stakeholders. Accordingly, managers were also asked if any other factors could restrict their choice of stakeholder. Table 6 provides these responses.

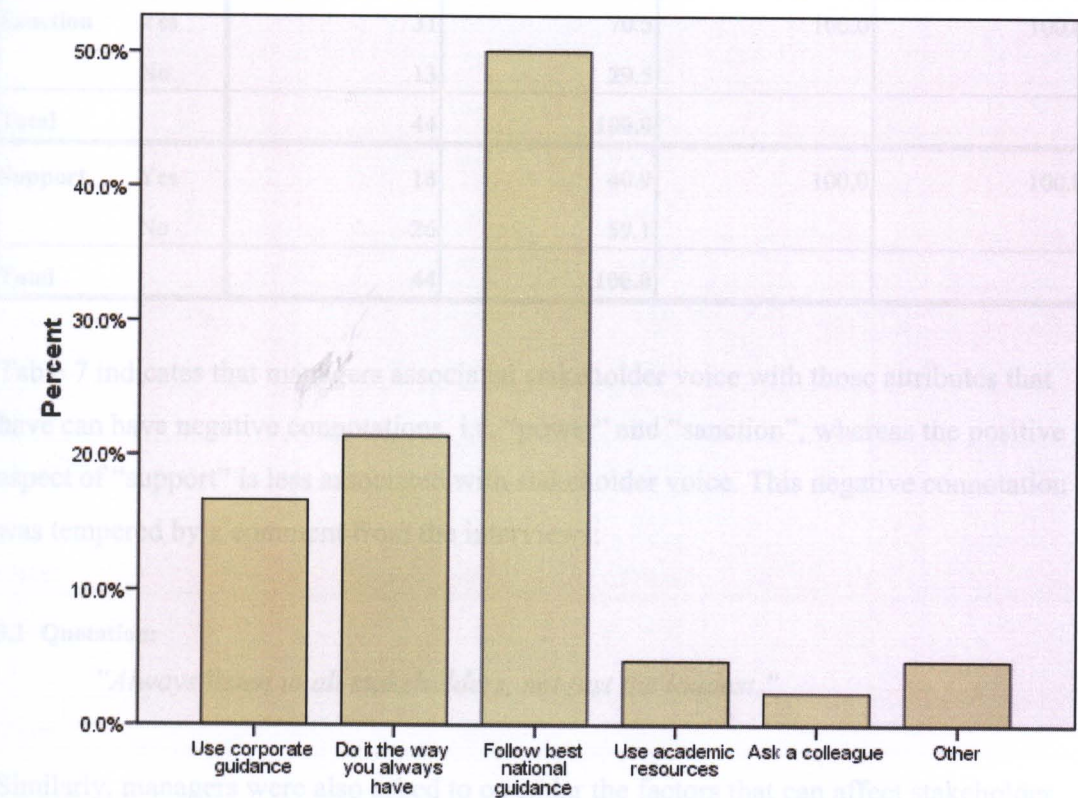
Table 6: Other factors that managers consider restrict their choice of stakeholder

	Frequency	Percent	Valid Percent	Cumulative Percent
Difficulty in identifying stakeholders	1	2.3	25.0	25.0
Legislation / political sensitivity	1	2.3	25.0	50.0
Timescales	1	2.3	25.0	75.0
Timescales, communication links	1	2.3	25.0	100.0
Total	4	9.1	100.0	
no response (missing)	40	90.9		
Total	44	100.0		

Table 6 illustrates that, of the 9.1% (4 respondents) who suggested other factors that could restrict their choice of stakeholder, there was some commonality as 4.6% (2 respondents) stated that “short timescales” could influence their choice of stakeholder.

Linked to factors that affect stakeholder choice, the methods managers use to obtain stakeholder views was also examined, as a means to understand how managers engaged with stakeholders. Managers were asked to choose the method that best described their approach. Figure 5 provides these results, whereas Appendix 9 (page 116) provides the descriptive data used to construct the Figure.

Figure 5: The methods managers use to obtain stakeholder views



Q.7: Key method managers use to obtain stakeholder views

The indication from Figure 5 is that the majority (47.7%, 21 respondents) of managers followed what they perceive to be best national guidance when obtaining stakeholder views. It is also interesting to note that a significant number of managers used tradition or experience to determine stakeholder views as 20.5% (9 respondents) suggested they “do it the way they always have”.

Whilst the results indicated that managers did consider stakeholder involvement to affect strategy, the data hinted toward a negative perspective. Accordingly, managers were asked to consider the attributes of stakeholder voice, as provided by Bryson (2004), and could choose as many as they thought relevant. Table 7 provides the responses.

Table 7: Attributes contributing to stakeholder voice

		Frequency	Percent	Valid Percent	Cumulative Percent
Power	Yes	27	61.4	100.0	100.0
	No	17	38.6		
Total		44	100.0		
Sanction	Yes	31	70.5	100.0	100.0
	No	13	29.5		
Total		44	100.0		
Support	Yes	18	40.9	100.0	100.0
	No	26	59.1		
Total		44	100.0		

Table 7 indicates that managers associated stakeholder voice with those attributes that have can have negative connotations, i.e. “power” and “sanction”, whereas the positive aspect of “support” is less associated with stakeholder voice. This negative connotation was tempered by a comment from the interviews:

3.1 Quotation:

“Always listen to all stakeholders, not just the loudest.”

Similarly, managers were also asked to consider the factors that can affect stakeholder influence. Again, the elements were taken from the literature and managers were free to choose as many as they thought relevant. Table 8 illustrates the responses recorded.

Table 8: Factors affecting stakeholder influence

		Frequency	Percent	Valid Percent	Cumulative Percent
Power	Yes	33	75.0	100.0	100.0
	No	11	25.0		
Total		44	100.0		
Sanction	Yes	31	70.5	100.0	100.0
	No	13	29.5		
Total		44	100.0		
Support	Yes	20	45.5	100.0	100.0
	No	24	54.5		
Total		44	100.0		
Relevance	Yes	22	50.0	100.0	100.0
	No	22	50.0		
Total		44	100.0		
Legitimacy	Yes	25	56.8	100.0	100.0
	No	19	43.2		
Total		44	100.0		
Voice	Yes	20	45.5	100.0	100.0
	No	24	54.5		
Total		44	100.0		
Perception	Yes	3	6.8	100.0	100.0
	No	41	93.2		
Total		44	100.0		
Interpretation	Yes	2	4.5	100.0	100.0
	No	42	95.5		
Total		44	100.0		

Again, Table 8 appears to support a negative view of the stakeholder. The attributes “power” and “sanction” were among the most popular responses and were therefore considered more influential than “support”.

However, managers’ views were mixed when asked to consider what other attributes contributed to stakeholder voice or influence. For example, positive comments included:

3.2 Quotation:

"Stakeholder involvement is definitely positive."

3.3 Quotation:

"Stakeholders have a useful input to strategy."

3.4 Quotation:

"Stakeholders played a vital role in the homelessness strategy and the allocation of housing and affordable housing strategies."

3.5 Quotation:

"The housing stock transfer process had a strong tenant involvement."

3.6 Quotation:

"Stakeholders aided the process for the play strategy and attracted resources, whilst also deflecting criticism."

Whereas negative comments included:

3.7 Quotation:

"They [stakeholders] need to possess the relevant skills and resources."

3.8 Quotation:

"Differing levels of stakeholder involvement lead to a confusing result for the supporting people strategy."

3.9 Quotation:

"Local stakeholders lobbied to take over a play area that was not part of the agreed strategy."

3.10 Quotation:

"Political sensitivity is important; trying to align strategy to please most people most of the time cannot be done."

To further examine whether stakeholders were seen in a positive or negative context, managers were asked whether they thought that stakeholder voice disproportionately affects strategy. Figure 6 outlines the results, whereas Appendix 10 (page 117) provides the descriptive data used to construct the Figure.

Figure 6: Whether stakeholder voice disproportionately affects strategy

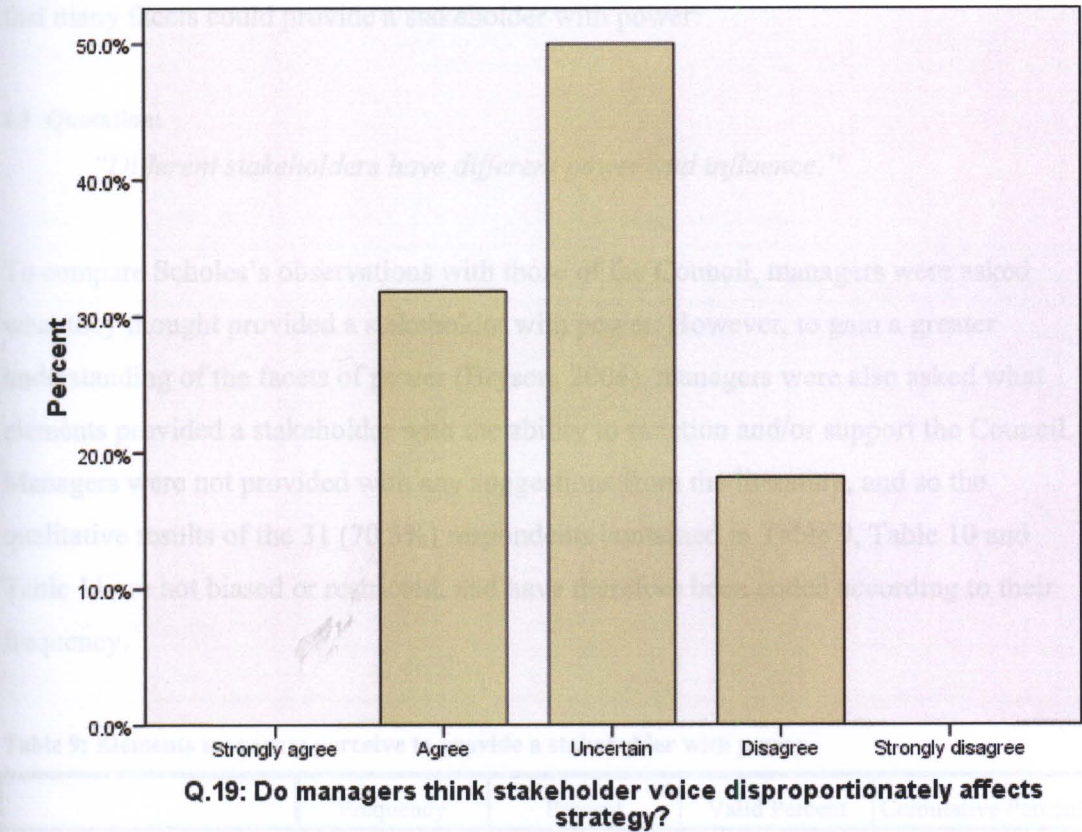


Figure 6 demonstrates a variance of responses received from managers when asked if they considered a disproportionate correlation between stakeholder voice and strategy. 31.8% (14 respondents) of managers thought that stakeholder voice could disproportionately affect strategy, however a high number of “uncertain” responses was also recorded (50.0%, 22 respondents).

4.3.4 4th supplementary research question [research aim 3]

Do managers within the Council agree with the aspects that can provide stakeholders with power, as suggested by Scholes (2001), or are other factors prevalent?

Scholes (2001) suggested that [external] stakeholder power comes from their ability to control resources and the possession of knowledge. However, some managers thought that many facets could provide a stakeholder with power:

4.1 Quotation:

“Different stakeholders have different power and influence.”

To compare Scholes’s observations with those of the Council, managers were asked what they thought provided a stakeholder with power. However, to gain a greater understanding of the facets of power (Bryson, 2004), managers were also asked what elements provided a stakeholder with the ability to sanction and/or support the Council. Managers were not provided with any suggestions from the literature, and so the qualitative results of the 31 (70.5%) respondents contained in Table 9, Table 10 and Table 11 are not biased or restricted, and have therefore been coded according to their frequency.

Table 9: Elements managers perceive to provide a stakeholder with power

	Frequency	Percent	Valid Percent	Cumulative Percent
Control of resources	10	22.7	32.3	32.3
Ability to affect publicity	9	20.5	29.0	61.3
Legislation / statute	8	18.1	25.8	87.1
Political influence	4	9.2	12.9	100.0
Partnership working	0	0.0	0.0	100.0
Total	31	70.5	100.0	
no response (missing)	13	29.5		
Total	44	100.0		

Table 9 indicates that the most popular elements that managers perceived to provide a stakeholder with power were the control of resources (22.7%, 10 respondents), the ability to affect publicity (20.5%, 9 respondents) and legislation and/or statute (i.e. that the stakeholder derives power from the fact that legislation dictates that their view must be sought and considered) (18.1%, 8 respondents). The importance of the ability of the

stakeholder to affect publicity (whether this is positively or negatively) was also supported during the interviews:

4.2 Quotation:

“Publicity is strongly allied to reputation.”

However, when asked what elements provided a stakeholder with the ability to sanction the Council, opinion shifted away from the elements observed in Table 9, as detailed in Table 10.

Table 10: Elements managers perceive to allow a stakeholder to sanction

	Frequency	Percent	Valid Percent	Cumulative Percent
Control of resources	1	2.3	8.4	8.4
Ability to affect publicity	0	0.0	0.0	8.4
Legislation / statute	6	13.6	50.0	58.4
Political influence	3	6.8	25.0	83.4
Partnership working	2	4.6	16.6	100.0
Total	12	27.3	100.0	
no response (missing)	32	72.7		
Total	44	100.0		

Table 10 indicates that the most significant element that managers thought provided a stakeholder with the ability to sanction the Council was the impact of legislation and/or statute (13.6%, 6 respondents), as undoubtedly, this control provides a stakeholder with the direct means to sanction Council. However, this could equally mean that stakeholder power could be reduced, as was indicated by the following comment:

4.3 Quotation:

“The enforcement of relevant legislation means that we are not required to involve stakeholders.”

Whilst “power” and “sanction” have somewhat negative connotations, this analysis was furthered to the more positive concept of “support” to the Council. Table 11 provides these responses.

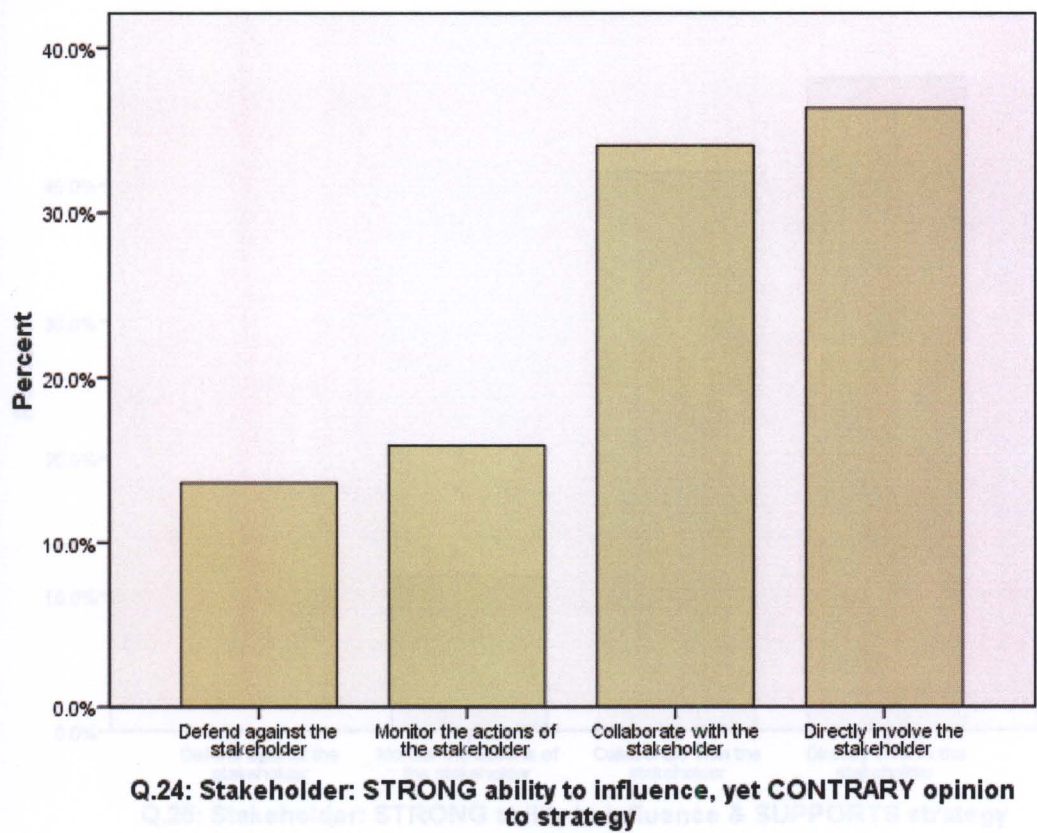
Table 11: Elements managers perceive to allow a stakeholder to support

	Frequency	Percent	Valid Percent	Cumulative Percent
Control of resources	7	15.9	28.0	28.0
Ability to affect publicity	7	15.9	28.0	56.0
Legislation / statute	0	0.0	0.0	56.0
Political influence	2	4.5	8.0	64.0
Partnership working	9	20.5	36.0	100.0
Total	25	56.8	100.0	
no response (missing)	19	43.2		
Total	44	100.0		

Table 11 shows that managers’ opinion had again shifted away from legislation and back to the control of resources (15.9%, 7 respondents) and the ability to affect publicity (15.9%, 7 respondents). However, given the positive connotations of “support”, it is not surprising that partnership working was the most popular response (20.5%, 9 respondents). The implications of the differing responses within Table 9, Table 10 and Table 11 are discussed in Chapter 5; however it is important to note that managers did not consider a stakeholder’s political influence as a significant element in any of the above responses.

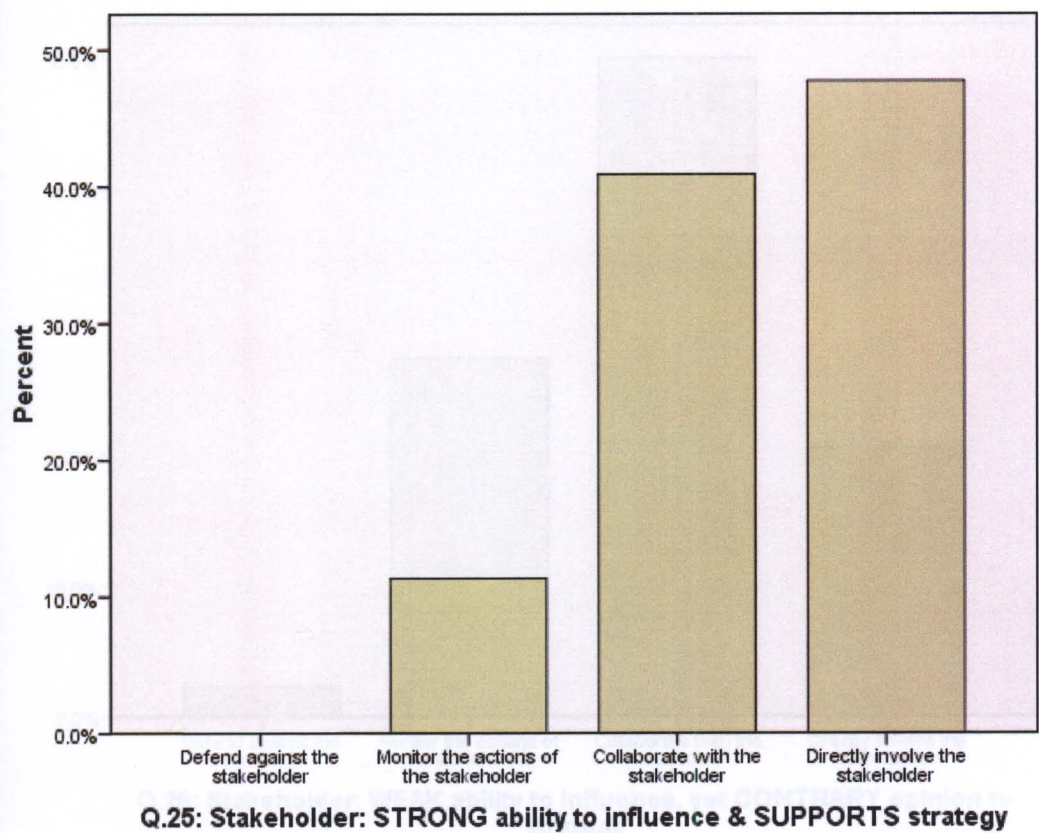
By using the four generic stakeholder management strategies offered by Bunn et al. (2002), embodied in the conceptual model (Figure 1, page 26), managers were provided with four scenarios of differing levels of stakeholder influence and asked to choose one of the four strategic approaches in each case. Figure 7, Figure 8, Figure 9 and Figure 10 provide the response to these scenarios. The descriptive data used to construct the Figures is provided in Appendices 11 (page 118), 12 (page 119), 13 (page 120) and 14 (page 121) respectively.

Figure 7: Stakeholder has strong ability to influence, yet contrary opinion to strategy



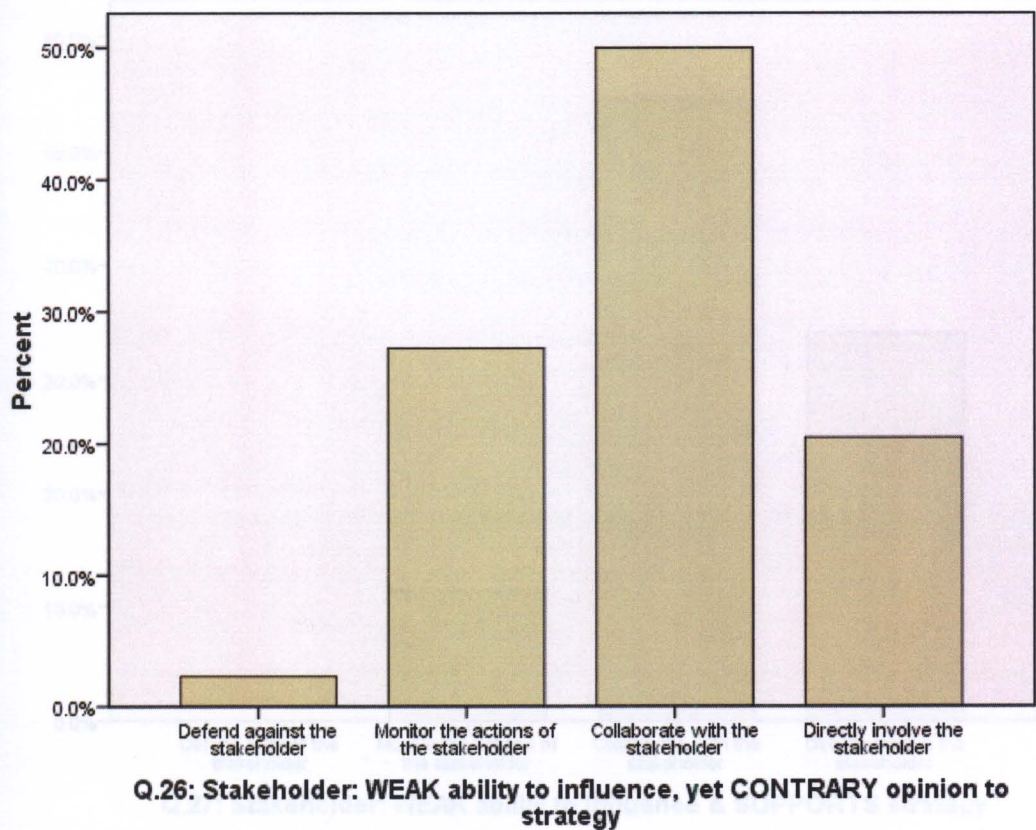
Bunn et al. (2002) suggest that the generic approach in this circumstance would be to *defend* against the stakeholder. However, this is not supported by Figure 7, as the majority of managers would either directly *involve* (36.4%, 16 respondents), or *collaborate* with (34.1%, 15 respondents), the stakeholder.

Figure 8: Stakeholder has strong ability to influence, and supports strategy



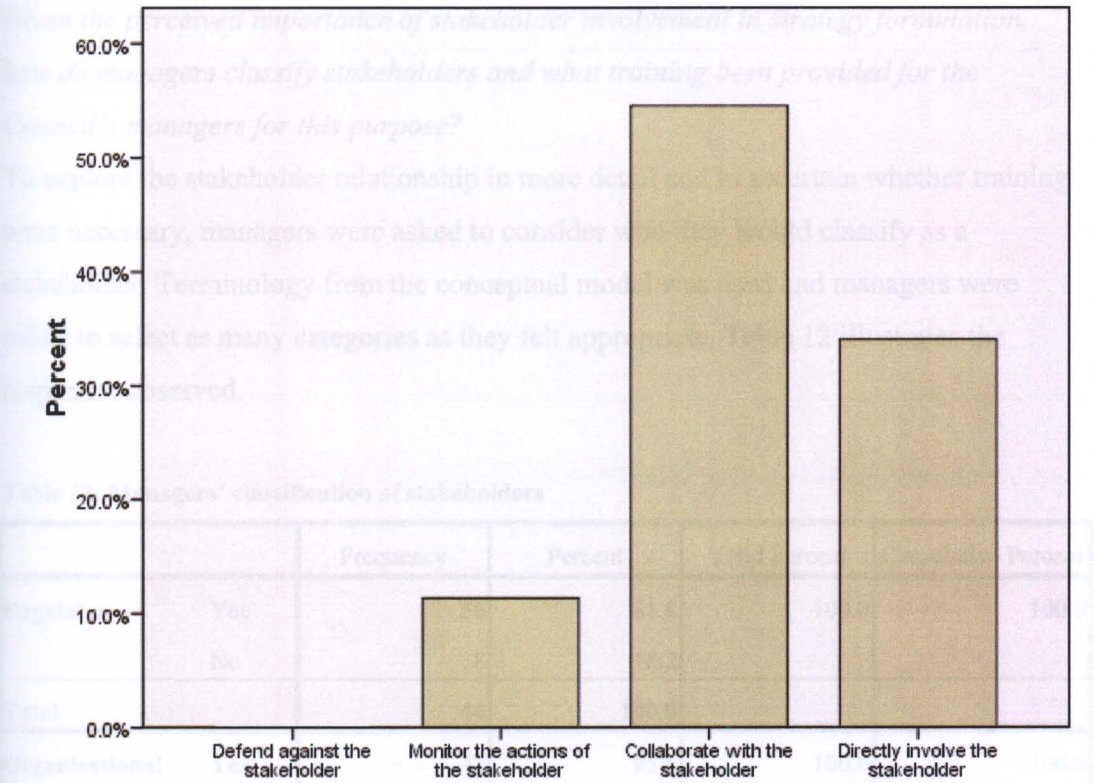
Bunn et al. (2002) suggest that the generic approach in this circumstance would be to *collaborate* with the stakeholder. Figure 8 demonstrates some support for this view as 40.9% (18 respondents) of managers stated they would *collaborate* with the stakeholder, however, the majority of managers (47.7%, 21 respondents) would directly *involve* the stakeholder.

Figure 9: Stakeholder has weak ability to influence, yet contrary opinion to strategy



Bunn et al. (2002) suggest that the generic approach in this circumstance would be to *monitor* the stakeholder. Figure 9 demonstrates some support for this view as 27.3% (12 respondents) of managers stated they would *monitor* the stakeholder, however, the majority of managers (50.0%, 22 respondents) would *collaborate* with the stakeholder.

Figure 10: Stakeholder has weak ability to influence and supports strategy



Q.27: Stakeholder: WEAK ability to influence & SUPPORTS strategy

Bunn et al. (2002) suggest that the generic approach in this circumstance would be to *involve* the stakeholder. Figure 10 demonstrates some support for this view as 34.1% (15 respondents) of managers stated they would *involve* the stakeholder, however, the majority of managers (54.5%, 23 respondents) would *collaborate* with the stakeholder.

4.3.5 5th supplementary research question [research aim 3]

Given the perceived importance of stakeholder involvement in strategy formulation, how do managers classify stakeholders and what training been provided for the Council’s managers for this purpose?

To explore the stakeholder relationship in more detail and to ascertain whether training were necessary, managers were asked to consider who they would classify as a stakeholder. Terminology from the conceptual model was used and managers were asked to select as many categories as they felt appropriate. Table 12 illustrates the responses observed.

Table 12: Managers’ classification of stakeholders

		Frequency	Percent	Valid Percent	Cumulative Percent
Regulator	Yes	36	81.8	100.0	100.0
	No	8	18.2		
Total		44	100.0		
Organisational	Yes	42	95.5	100.0	100.0
	No	2	4.5		
Total		44	100.0		
Community	Yes	42	95.5	100.0	100.0
	No	2	4.5		
Total		44	100.0		
Media	Yes	13	29.5	100.0	100.0
	No	31	70.5		
Total		44	100.0		

It is relatively unsurprising that Table 12 suggests the majority of managers considered “regulators”, “organisations” and the “community” as stakeholders (81.8%, 36 respondents, 95.5%, 42 respondents and 95.5%, 42 respondents respectively), as this is supported by the literature. However, it is interesting to note that the majority of managers (70.5%, 31 respondents) did not perceive the media as a stakeholder, which is not supported by the conceptual model or literature. However, when managers were asked if they considered any other group as a stakeholder, only 18.2% (8 respondents) considered these four categories inadequate and provided the suggestions contained in Table 13.

Table 13: Managers’ suggestions for additional classifications of stakeholders

	Frequency	Percent	Valid Percent	Cumulative Percent
advisory body	1	2.3	14.3	14.3
external contractors	1	2.3	14.3	28.6
other council officers / members	1	2.3	14.3	42.9
professional advisors	1	2.3	14.3	57.1
sub regional public partnership bodies	1	2.3	14.3	71.4
voluntary sector	2	4.5	28.6	100.0
Total	7	15.9	100.0	

Examining Table 13, it can be seen that all of these responses can be attributable to each of these classifications outlined in the conceptual model; therefore suggesting that the managers may not have fully comprehended the academic definition of a stakeholder group and/or did not fully understand who can be a stakeholder.

When asked whether they had received training and/or guidance from the Council on strategy formulation, managers provided the responses contained in Table 14.

Table 14: Number of managers who had received training on strategy formulation

	Frequency	Percent	Valid Percent	Cumulative Percent
No	32	72.7	72.7	72.7
Yes	12	27.3	27.3	100.0
Total	44	100.0	100.0	

Whilst it is obviously concerning that Table 14 indicates that 72.7% (32 respondents) of managers had not received any such training and/or guidance, this value may be biased as managers were only asked if they had received training from the Council, and therefore any training provided in previous work roles may not be counted. Table 15 provides the format of the training and/or guidance that the 27.3% (12 respondents) of managers had received.

Table 15: Format of training provided on strategy formulation

	Frequency	Percent	Valid Percent	Cumulative Percent
corporate guidance notes	2	4.6	16.0	16.0
external course	5	11.3	42.0	58.0
in house training	5	11.3	42.0	100.0
Total	12	27.3	100.0	

Table 15 illustrates that majority of managers received training on strategy formulation from sources outside (11.3 %, 5 respondents) or from inside (11.3 %, 5 respondents) the Council. Figure 11 demonstrates managers’ opinion of the training provided, whereas the Appendix 15 (page 122) provides the descriptive data upon which the Figure is constructed.

Figure 11: Managers’ perception of training provided on strategy formulation

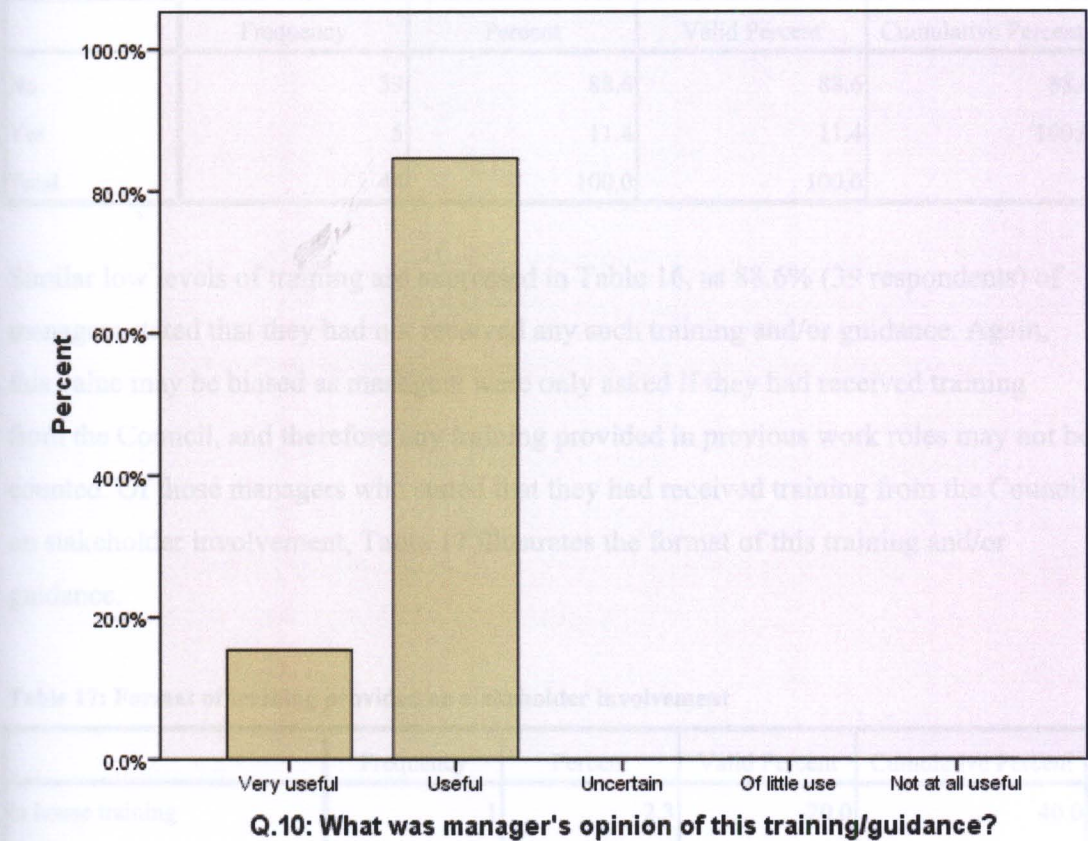


Figure 11 demonstrates that, of those managers who had received training and/or guidance, 4.5% (2 respondents) and 25.0% (11 respondents) stated they considered the training to be ‘very useful’ or ‘useful’ respectively. No managers made any negative comments about the training/guidance.

The positive responses from managers regarding strategy training were supported by comments that suggested training is vital for managers to understand strategy:

5.1 Quotation:

“If I hadn’t done my DMS, I would not have considered strategy.”

5.2 Quotation:

“What you pick up on the DMS is a starting point for how to develop strategy.”

Similarly, Table 16 illustrates the number of managers who had received any training and/or guidance from the Council on stakeholder involvement.

Table 16: Number of managers who received training on stakeholder involvement

	Frequency	Percent	Valid Percent	Cumulative Percent
No	39	88.6	88.6	88.6
Yes	5	11.4	11.4	100.0
Total	44	100.0	100.0	

Similar low levels of training are expressed in Table 16, as 88.6% (39 respondents) of managers stated that they had not received any such training and/or guidance. Again, this value may be biased as managers were only asked if they had received training from the Council, and therefore any training provided in previous work roles may not be counted. Of those managers who stated that they had received training from the Council on stakeholder involvement, Table 17 illustrates the format of this training and/or guidance.

Table 17: Format of training provided on stakeholder involvement

	Frequency	Percent	Valid Percent	Cumulative Percent
In house training	1	2.3	20.0	40.0
external course	3	6.8	40.0	80.0
senior management guidance	1	2.3	20.0	100.0
Total	5	11.4	100.0	

Whilst low numbers of managers had received training on stakeholder involvement, Table 17 illustrates that majority of these managers received such training from sources

outside (6.8 %, 3 respondents) of the Council. Figure 12 demonstrates managers' opinion of the training provided, whereas Appendix 16 (page 123) provides the descriptive data upon which the Figure is constructed.

Figure 12: Managers' perception of training provided on stakeholder involvement

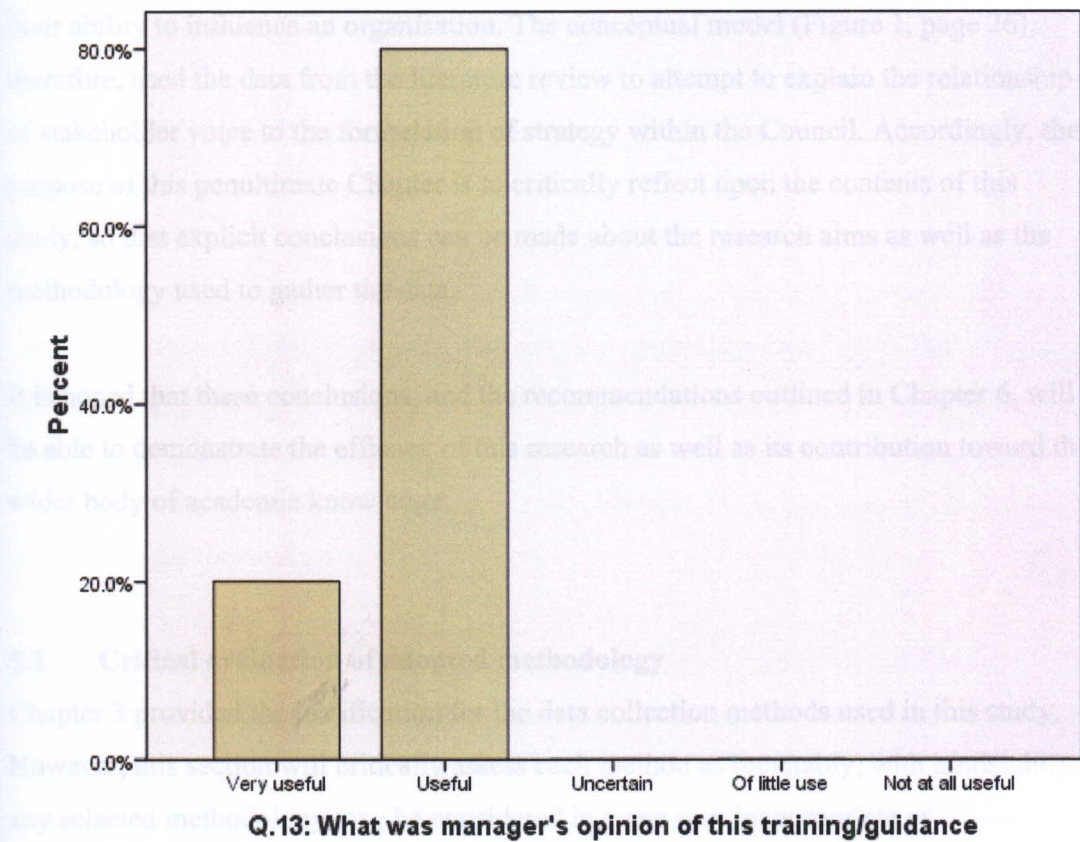


Figure 12 demonstrates that, of those managers who have received training and/or guidance on stakeholder involvement, 2.3% (1 respondent) and 9.1% (4 respondents) stated they considered the training to be very useful or useful respectively. No managers made any negative comments about the training/guidance.

4.4 Summary

The data provided in this Chapter has been separated according to each of the five supplementary questions, so that clear links can be made to the five subject areas contextualised in the literature review (Chapter 2). Each of the five supplementary questions has been derived from the four aims of this research detailed in the introduction (Chapter 1). Accordingly, the following Chapter will critically analyse each of these research aims in the context of the preceding four Chapters.

5 Conclusions and Implications

5.1 Introduction

The positivist stance of this study was based upon the literature contextualised throughout Chapter 2. This review indicated that stakeholders are fundamental to the formulation of strategy, but that the impact of those stakeholders is dependant upon their ability to influence an organisation. The conceptual model (Figure 1, page 26), therefore, used the data from the literature review to attempt to explain the relationship of stakeholder voice to the formulation of strategy within the Council. Accordingly, the purpose of this penultimate Chapter is to critically reflect upon the contents of this study, so that explicit conclusions can be made about the research aims as well as the methodology used to gather the data.

It is hoped that these conclusions, and the recommendations outlined in Chapter 6, will be able to demonstrate the efficacy of this research as well as its contribution toward the wider body of academic knowledge.

5.2 Critical evaluation of adopted methodology

Chapter 3 provided the justification for the data collection methods used in this study. However, this section will critically assess each method as inevitably, with hindsight, any selected methodology may be considered in some way inappropriate or unsuccessful.

5.2.1 Self administered questionnaire

In broad terms, the self administered questionnaire could be considered successful as it achieved a good response rate (Dillman, 2000) of 77.19% and yielded interesting empirical data. However, whilst the high response rate improved confidence in the data, 22.81% of the population did not respond. Therefore, how could the response rate have been improved? The efforts made to improve response rates are outlined in Chapter 3, which included the trialling of the questionnaire to a focus group of seven service managers, without which, response rates would have undoubtedly been much lower. The comments received were critical, but demonstrated a very pragmatic and constructive assessment of the draft questionnaire, which enabled the ambiguity and

order of several questions, as well as the overall length of the questionnaire, to be revised.

Furthermore, whilst this research was sanctioned by senior management, they had no input into the type and nature of this study. Whilst this brought greater freedom of research and reduced the potential for bias in the results (and analysis) from senior management input, an explicit senior management commitment for the questionnaire could have improved response rates, as managers' perceptions of the importance of the questionnaire would have increased.

In addition, whilst the questionnaire was distributed electronically, it could not be completed electronically, effectively meaning the respondent had to print the questionnaire and complete it by hand. Had respondents been able to complete the questionnaire electronically, this could have arguably meant less time to complete and improved response rates (Witmer, et al., 1999). However, time and resource constraints prohibited this approach.

The anonymity of the questionnaire also demonstrated some practical drawbacks. Significant efforts were made to inform managers of the need for anonymity to preserve the integrity and accuracy of the data, however, several respondents wrote their contact details and/or messages of support on the questionnaire. Whilst this information was removed from any analysis, it could have subconsciously introduced bias to the interpretation of the results (Jankowicz, 2002). Conversely, several interesting comments were identified from the data with regard to stakeholder influence that would have been very useful to examine in greater detail with a semi structured interview. However, the anonymity of the questionnaire prevented those respondents from being approached, and whilst those selected for interview were questioned about those anonymous responses, the opportunity for some very interesting analysis had been missed.

5.2.2 Semi structured interviews

Semi structured interviews were chosen as a qualitative means to support and triangulate the quantitative data collected from the questionnaire. The process of the interviews themselves was undoubtedly improved by providing the interviewee with relevant information prior to the interview, as this helped to overcome some apparent reluctance from managers to be interviewed - if only to satisfy them that the interview would not take up too much of their time. Accordingly, interviews were kept as short as possible and were recorded using a digital recording device. However the amount of data yielded was comparatively substantial, which took considerable time to transcribe and code accordingly.

It was during this analysis that several interesting issues surrounding managers' understanding of stakeholder involvement became evident, and it would have been useful to return to those interviewees to discuss these issues in more detail. However, the time constraints on this study prevented this, and therefore this has been identified as a limitation of this research in Section 5.5 of this Chapter. Furthermore, as alluded to in Section 5.2.1, the anonymity of the quantitative data meant the identification of interviewees was frustrating, as those managers who made interesting comments regarding stakeholder influence in their questionnaire could not be targeted for interview as all interviewees were chosen at random to prevent potential bias.

With hindsight, the use of focus groups instead of interviews may have eased any apparent manager reluctance and also allowed any interesting points from the quantitative results to be discussed as a group, with the potential to yield more qualitative data.

5.2.3 Secondary data analysis

The limitations of the analysis of the secondary data lay only in the inadequate amount of guidance available to managers on stakeholder involvement and/or strategy formulation. Whilst conclusions about the data will be made later in this Chapter, the apparent lack of training also indicated an area of further research to examine the importance of management training to improve understanding of the stakeholder concept and strategy formulation.

5.3 Conclusions about each research objective (aim)

The conclusions are presented in relation to each specific research aim and, where applicable, cross referenced to each of the five subject areas identified in Chapter 2.

5.3.1 Research aim 1

The objective of this aim was to illustrate and explain contemporary thinking on stakeholder theory and voice, and its impact upon strategy formulation. This aim has been addressed by the completion of the literature review, but moreover, by the identification of the five subject areas and five supplementary research questions which address the key concepts of this study.

It is felt that the literature review is exhaustive and demonstrates a contextualised contemporary examination of the available literature and thereby meets the requirements of the first aim of this study.

5.3.2 Research aim 2

(1st subject area: strategy in local government: planned vs. incremental approach)

The literature indicates that definitions of strategy are contested in management research (Barry and Elmes, 1997; Volberda and Elfring, 2001; Whittington, 2001; Doherty and Horne, 2005). This apparent confusion was mirrored by the broad range of managers' responses to the definition of strategy contained in Table 2 (page 40) and also Quote 1.1 (page 40).

This apparent confusion was also supported by the secondary data, as the guidance for managers (Appendix 5, page 111) contains only very limited guidance on strategy and is therefore of little use to the individual service manager when faced with the task of formulating strategy. In addition, the outline analysis of this document (page 43) demonstrates the limited and contradictory nature of the guidance for service managers, which could prove misleading to the individual service manager, leading to a lack of clear strategic purpose when strategy documents are formulated. Moreover, it substantiates the need for the primary research to ascertain exactly how the Council's service managers perceived strategy. Therefore, it was appropriate that the self administered questionnaires explored service managers' opinions of this guidance and

how service managers assimilate this information (or the lack thereof) to determine and assess stakeholder views to make informed judgements when formulating strategy. This analysis is continued in the latter part of Section 5.3.3.

Further evidence to support a lack of understanding of strategy is presented in Table 2 (page 40). The majority of respondents considered strategy to be an incremental process. This is supported by the literature, where the concept of “logical incrementalism” (Quinn, 1980) is considered typical of strategic development within the public sector (Collier, Fishwick and Johnson, 2001). However, the literature argues that an incremental approach to strategy may not be suitable as there are many practical pressures on local authorities to plan for the future, rather than adopt a pragmatic, incremental approach (Flynn and Talbot, 1996). Therefore, it is interesting to note that within Table 2 (page 40), 34.1% (15 respondents) stated that strategy is a planned process, which is encouraging, as this suggests a development away from logical incrementalism toward a more structured approach.

When examining this potential shift, a more pragmatic view of strategy is presented, where the demands upon managers’ time is a factor that appears to dictate whether a planned or incremental approach to strategy is taken, particularly Quotes 1.2 and 1.3 (page 41). Whilst it could be argued that these matters could be construed as tactical issues rather than truly strategic, it demonstrates that managers do understand the need to think strategically, but other work pressures divert this focus toward operational issues. This problem is supported by the literature, which demonstrates the problems surrounding the split between operational and strategic control that is fundamental to the public sector (Exworthy and Halford, 1999).

The results also suggest that the constraints upon managers’ time, which forces them to address strategy incrementally as they have no time to plan, are a result of the relatively small size and flat staffing structure of the Council. Quotes 1.6 and 1.7 (page 41) state this specifically, which is supported by the literature that states that the Council faces many influences on strategy, including differing market forces, changing regulatory controls, increased emphasis on net public welfare and multiple stakeholders (Collier et al., 2001). Moreover, the Council is potentially disadvantaged when implementing strategy because of “government blindness” to the needs of the smaller authority (Dereli, 2003). However, Collier et al. (2001) also suggest that political influences can

affect strategy, which is also supported by Quotes 1.9 and 1.10 (page 42). Therefore, if strategy formulation is truly developing toward a more planned approach as was indicated by Table 2 (page 40); it would appear that elected members play an important role in ensuring managers receive adequate direction and resources for this to occur (Dereli, 2003).

(2nd subject area: Stakeholder involvement in strategy formulation)

Similar to the concept of strategy, the available literature is fraught with many attempts to define a ‘stakeholder’ (Lépineux, 2005), which was also supported by the results. Examination of Table 3 (page 44) demonstrates varied support for the five academic definitions offered, however, it is encouraging to note that the majority of respondents supported Freeman’s (1984) definition (38.6%, 17 respondents). It is also interesting to note that the two most popular definitions were those that contained the word “affect”. This is important as it suggests that managers support the existence of a definite relationship between the stakeholder and the organisation (Haberberg and Rieple, 2001). Therefore, by acknowledging that the process can “affect” both the stakeholder and the organisation, it is indicative of managers’ understanding of the stakeholder concept, and moreover, an acknowledgement that strategy can be affected by stakeholders.

Given the apparent understanding that managers are aware that stakeholders can affect the Council, it is important to note that the literature states that stakeholder theory is clearly an important issue in strategy (Donaldson and Preston, 1995; Harrison and St John, 1996; Useem, 1996; Harrison and Freeman, 1999). It was therefore encouraging to note that the majority of managers considered stakeholders as “important” or “quite important” to their work (Figure 2, page 45) and that the majority of service managers also consider stakeholder views when formulating strategy (Table 6, page 50). However, Quotes 2.1, 2.2 and 2.3 (page 46) provide some explanation for the minority of managers who did not consider stakeholder views, for example service support units who do not have any direct external customer contact. Several authors (for example, Scholes (2001)) suggest that internal ‘customers’ (i.e. other service departments) should also be considered as stakeholders, and it is therefore concerning that these service support managers do not see their colleagues in this manner.

The above evidence indicates that managers did not fully understand who should be considered as a stakeholder and therefore supports comments from authors such as Polonsky et al. (2003) and Merrilees et al. (2005) who stated that there is actually no universally accepted definition of stakeholder theory or even what constitutes a stakeholder.

The literature (for example, Mitchell et al., 1997; Agle, Mitchell and Sonnenfeld, 1999; Harrison and Freeman, 1999; Friedman and Miles, 2002) raises concerns surrounding the need for a better understanding of the processes and outcomes related to stakeholder relationships, as the assessment of any given stakeholder can be very situational. The results of this study also support this view, as Figure 4 (page 48) demonstrates a wide range of views as to the importance of stakeholder voice toward strategy formulation. Accordingly, it could be argued that the importance of voice is dependant upon which stakeholder the manager was engaging with, and whether those views were supportive or contrary to strategic aims. Quotes 2.7 (page 48), 2.8 and 2.9 (page 49) provide further support for this situational argument and affirms Donaldson and Preston's (1995) argument that the stakeholder relationship is fundamentally normative.

Therefore, given the potential for a misunderstanding of the concept of a stakeholder, the literature supports the tenet that strategic management becomes much more effective and efficient if managerial efforts take account of various stakeholders' concerns (Freeman, 1984; Scholl, 2001), which suggests that *key* stakeholders must be satisfied, at least minimally, or public policies will fail (Huntington 1996; Friedman, 2000). This view was supported by this study as Figure 3 (page 47) indicates that the majority of managers "strongly agreed" or "agreed" that stakeholder involvement does improve the delivery of strategy. However, the minority of managers gave some examples where they perceived that stakeholders could actually harm strategic delivery, including Quotes 2.4, 2.5 (page 47) and 2.6 (page 48).

The potential for stakeholders to be perceived in a negative context is contrary to the majority of the available literature, which remains positivist on stakeholder involvement; however, this analysis supports the need for the next research question to consider whether stakeholders and/or stakeholder voice were seen as positive.

5.3.3 Research aim 3

3rd subject area: Stakeholder influence on strategy - a positive or negative context

It has already been argued that the results of this study broadly support the positivist nature of the literature as the majority of managers stated that stakeholders were important to their work and that stakeholder involvement actually improved strategic development. However, the need to identify and assess the level of influence (Frooman, 1999) of only *key* stakeholders, coupled with a lack of empirical evidence in this area (Tsai, Rosa-Yeh, Wu and Huang, 2005), lead to the examination of how managers choose stakeholders and whether any restrictions can affect this choice.

Table 5 (page 50) demonstrates that the dominant elements that restricted managers' choice of stakeholders were "legislation" and stakeholder "power". The support for stakeholder "power" provides some defence of Frooman's (1999) argument that strategy is influenced by the level of control and manipulation over resources that a stakeholder may possess. However, Table 6 (page 50) suggested that timescales can also restrict the choice of stakeholder, which does not support Frooman's argument. Furthermore, managers' reference to short timescales provides further support for the aforementioned demands upon managers' time as being a factor that could dictate whether a planned or incremental approach to strategy is taken.

It is also interesting to compare the data contained in Figure 5 (page 51) with Table 5 (page 50), as Figure 5 also supports the suggestion that legislation (through national guidance), may dictate the way in which managers interact with stakeholders. This concept is also linked to the concept of stakeholder power, as legislation can be a significant factor that can force a manager to engage (or not) with a given stakeholder. The concept of stakeholder power is discussed in greater depth in next Section; however, it is interesting to note that the primary data supports the literature by suggesting that power can directly affect stakeholder voice. This data also raises the question whether these factors will force managers to always speak to the most 'vocal' stakeholder, or conversely, whether those factors that received less responses within Table 8 (page 53) are indicative of 'voiceless' stakeholders (Gao and Zhang, 2006).

It is also interesting to note that Figure 5 (page 51) highlights that a significant number of managers used tradition or experience to determine stakeholder views, as 20.5% (9 respondents) suggest that they "do it the way they always have". This is, of course, a

potentially dangerous practice as managers could well be repeating the same mistakes over again and not fully accounting for stakeholder views. It is also contrary to Scholes's (2001) observations that managers must understand the stakeholder context in detail. It is also noteworthy, that given the wealth of information contained within the available literature, only 4.5% (2 respondents) suggested that they would use academic resources.

The responses of "legislation" and "power" within Table 5 (page 50) can be seen to have negative connotations of managers' views of the stakeholder relationship, particularly when positive messages of "support" were not chosen. These negative connotations were further evident when managers were asked which factors contributed to stakeholder voice. Table 7 (page 52) demonstrates that managers associated stakeholder voice with those attributes that can have negative connotations, i.e. "power" and "sanction", whereas the positive aspect of "support" is less associated with stakeholder voice. This was further supported by Table 8 (page 53) where "power" and "sanction" were the most popular responses and were considered more influential than "support". However, positive (Quotes 3.2, 3.3, 3.4, 3.5, 3.6 – page 54) as well as negative comments (Quotes 3.7, 3.8, 3.9, 3.10 – page 54) were recorded from the interviews, which would appear to support some of the criticisms of stakeholder theory (Treviño and Weaver, 1999; Sternberg, 1994; 1997; 1998).

This mix of positive and negative responses supports the overall situational context of the individual stakeholder relationship (Stone, 1997). Furthermore, Figure 6 (page 55) demonstrates a variance of responses from managers when asked if they considered a disproportionate correlation between stakeholder voice and strategy. The high number of "uncertain" responses in Figure 6 also supports the situational argument, yet considering the responses overall, it did not demonstrate a shift away from the fundamentally positive nature of the stakeholder concept.

4th subject area: Stakeholder voice - the bases of power

Stakeholder power is often difficult to define, but not difficult to recognise (Bunn et al., 2002). This simple tenet was supported by comments from the interviews, for example Quote 4.1 (page 56); however, Table 9 (page 56) demonstrates that managers perceived stakeholder power to be derived from three aspects: the control of resources, the ability to affect publicity and the effect of legislation / statute.

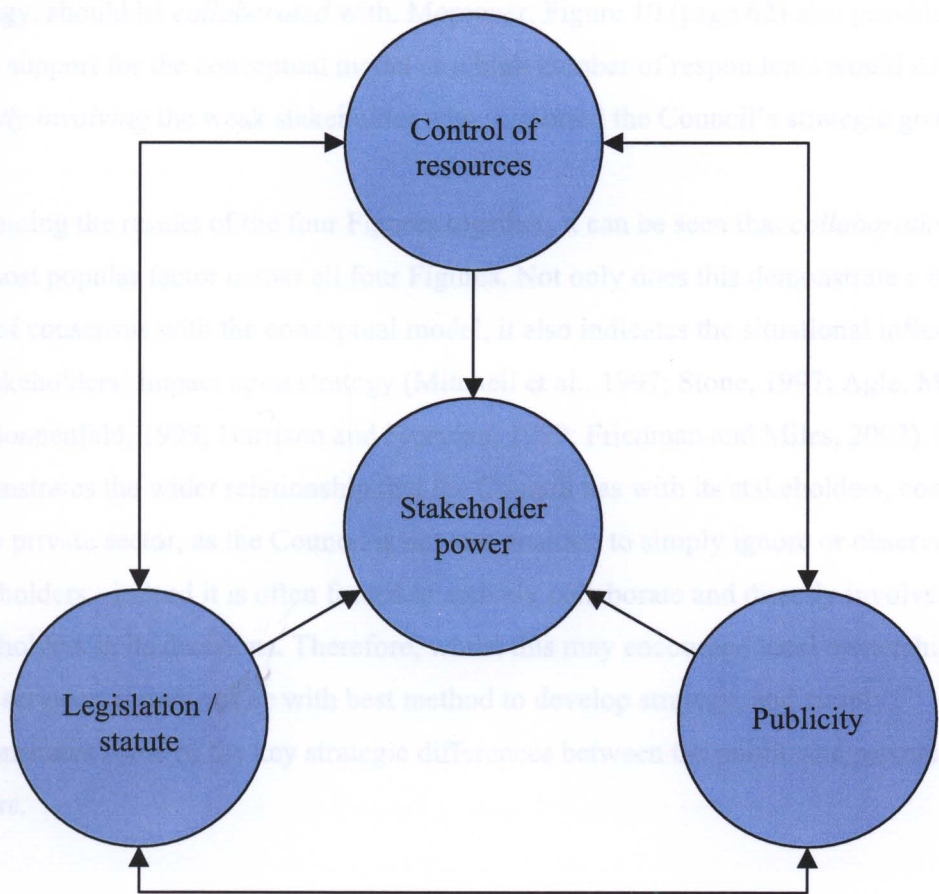
The identification of the control of resources as a factor in stakeholder power agrees with Scholes's (2001) conclusions, and is further supported by Table 11 (page 58), as the majority of managers perceived the control of resources as a key means to support the Council. However, the remainder of the primary data relating to stakeholder power did not agree with Scholes's (2001) model, as the identification of a stakeholder's ability to affect publicity was not identified by Scholes, but this factor was evident in Table 9 (page 56), as well as Table 11 (page 58). A suggested reason why the ability to affect publicity is important for the Council is provided by Quote 4.2 (page 57), which indicates that the *reputation* of the Council is extremely important. Therefore a stakeholder who is able to affect this reputation (whether positively or negatively) can affect how powerful that stakeholder is, or moreover, how powerful the stakeholder is *perceived* to be (Bailur, 2006).

The identification of the role of legislation as a factor in stakeholder power also does not agree with Scholes's (2001) conclusions. Table 10 (page 57) clearly shows the importance of legislation as means for a stakeholder to potentially sanction the Council. However, Quote 4.3 (page 57) indicates that legislation need not have a negative impact on the Council, as legislation may not require the Council to engage with a specific stakeholder(s), which would reduce the power of that given stakeholder.

The primary research therefore indicates limited support for Scholes's (2001) model, as each stakeholder does not have the same influence, trust or accountability and that some stakeholders will be more capable than others at representing themselves and therefore capable of participating more effectively (Riege and Lindsay, 2006). It is also important to note that managers did not consider a stakeholder's political influence as a significant element in any of the above tables, casting doubt over the aforementioned value of elected members as a link to stakeholders (Dereli, 2003).

Given the lack of consensus between the primary data and Scholes (2001) in defining the respective elements of stakeholder power, Figure 13 is offered as a means to represent the factors affecting a stakeholder's bases of power identified by this research.

Figure 13: Factors affecting stakeholder bases of power



When examining the generic strategies offered by Bonn et al. (2002), which were embodied into the conceptual model (Figure 1, page 26), the primary research provides only limited support for use of these strategies. Figure 7 (page 59) did not support the *defend* stance contained in the conceptual model, as the majority of managers believed that it would be better to collaborate with or directly involve a strong stakeholder who had a contrary opinion. This could be because managers felt that contrary opinions could be swayed by the involvement of the stakeholder rather than simply defending against them. Similarly, Figure 8 (page 60) did not support the *monitor* stance of the conceptual model. Again managers felt that strong stakeholders who agree with the

Council's strategy should be involved rather than simply observed. The reason for this would be similar to that identified above.

However, Figure 9 (page 61) did provide some support for the conceptual model as managers believed that weak stakeholders, who have contrary opinions to the Council's strategy, should be *collaborated* with. Moreover, Figure 10 (page 62) also provides some support for the conceptual model as a high number of respondents would support *directly involving* the weak stakeholder who supported the Council's strategic goals.

Examining the results of the four Figures together, it can be seen that *collaboration* is the most popular factor across all four Figures. Not only does this demonstrate a broad lack of consensus with the conceptual model, it also indicates the situational influence of stakeholders' impact upon strategy (Mitchell et al., 1997; Stone, 1997; Agle, Mitchell and Sonnenfeld, 1999; Harrison and Freeman, 1999; Friedman and Miles, 2002). It also demonstrates the wider relationship that the Council has with its stakeholders, compared to the private sector, as the Council is not in a position to simply ignore or observe its stakeholders - indeed it is often forced to actively collaborate and directly involve stakeholders in its decisions. Therefore, whilst this may encourage local ownership of local services, it may not be with best method to develop strategy, and simply demonstrates some of the key strategic differences between the public and private sectors.

5th subject area: Stakeholder classification and a need for training

Given the confusion in the definition of a stakeholder offered by the literature and the primary data, it would seem appropriate to offer a classification of the term stakeholder. This study has advocated four classifications of stakeholder; *Regulator*, *Organisational*, *Community* and *Media* (Rowley, 1997; Henriques and Sadorsky, 1999 and Neely et al., 2002). Table 12 (page 63) provided some support for this classification based upon managers' responses, as the majority believed *Regulator*, *Organisational* and *Community* to adequately reflect their stakeholders. However, the majority of managers (70.5%, 31 respondents) did not perceive the *Media* as a stakeholder, which is not supported by the conceptual model or literature.

When managers were asked if they considered any other group as a stakeholder, only eight respondents considered these four categories inadequate. Of these subsequent suggestions (Table 13, page 64), all are attributable to each of the classifications outlined in the conceptual model. The reasons for this could be either that the respondent did not fully comprehend the academic definition of a stakeholder group or the respondent did not fully understand what and who a stakeholder is. Therefore, in either circumstance, this could demonstrate a need for training on the stakeholder concept.

This need for training becomes more prominent when managers were asked what training they had undertaken on strategy formulation as well as stakeholder involvement. Table 14 (page 64) illustrates that the majority of managers (72.7%, 32 respondents) had not received any such training and/or guidance on strategy formulation. The situation is more concerning as Table 16 (page 66) suggests that 88.6% (39 respondents) of managers stated that they had not received any such training on stakeholder involvement. Whilst there may be some bias to this data (managers were only asked if they had received training from the Council and therefore any training provided in previous work roles may not be counted) it demonstrates a potential skills gap in the Council's management with regard to both strategy formulation and stakeholder involvement. Moreover, the positive messages received from managers, detailed in Figure 11 (page 65), Figure 12 (page 67) and Quotes 5.1, 5.2 (page 66), regarding the usefulness of training on strategy and stakeholders would suggest that if any such training were provided, it would be well received and could provide real benefit to the Council. It is also noteworthy that given the existence of the (albeit limited) corporate guidance document, only two managers cited it as a source of information, leading to the conclusion that either the majority of managers were unaware of its existence or considered the document to be of little use.

This apparent lack of training for managers also supports the results seen in the previous sections that indicate managers are unsure of:

1. What strategy is;
2. What, or who, their stakeholders are;

3. Stakeholder choice;
4. Stakeholder power and voice.

These matters also support the data that managers appear too focused upon operational issues, and are acting tactically rather than strategically when required to focus upon strategic issues. This view also suggests that managers are ill equipped to deliver strategy in the manner the literature recommends and are also unable to fully identify, engage with, and ultimately assess the impact of stakeholder voice upon strategy formulation.

5.3.4 Research aim 4

Chapter 6 of this study provides the recommendations of this study based upon the information detailed within this Chapter, and thereby satisfying the final aim of this research.

5.4 Conclusions about the research question

The analysis presented in the previous sections demonstrates a broad support for the conceptual model as a means to address the research question. However, it has been shown that the purpose and definition of strategy is not fully understood by managers, and therefore the Council is still reliant upon “logical incrementalism” rather than a planned approach to strategy. Nevertheless, there does appear to be a development toward a planned approach, but this is constrained by other factors that divert managers away from strategic issues, including a flat management structure, strategically indifferent political support and limited time and resources.

The results also suggest that stakeholder voice is linked to power, which is in turn related to how an individual stakeholder can influence, or is influenced by, resources, publicity and/or legislation. Accordingly, there is limited support for the generic strategies of stakeholder involvement embodied within the conceptual model, as the Council *must* involve its stakeholders and does not have full discretion to choose which stakeholders it must communicate with.

Additionally, the results indicate that managers may not fully understand the stakeholder concept and its relationship to strategy, as a significant need for training was identified with regard to both stakeholder involvement and strategy formulation. Moreover the guidance provided within the Council requires improvement to fully demonstrate the importance of good strategy and the assessment of stakeholder voice.

Overall, the results demonstrate that stakeholder voice does affect strategy formulation, but this relationship can be very situational, resulting in positive and negative connotations about the involvement of stakeholders to the various strategic processes of the Council. A potential skills gap within service managers could also lead to the misunderstanding of this impact resulting in strategies that are of limited use and the inadequate assessment of stakeholder voice.

5.5 Limitations of the study

The most significant limitation on this study has been time, as the selected methodology was largely influenced by the need to obtain data in a short timeframe. Nevertheless, the analysis of both the questionnaire and interviews yielded interesting data that would have been opportune to return to the respondent to gather further insight into the stakeholder concept. However, the anonymous nature of the questionnaire and/or the time constraints upon this study prevented this.

A return rate of 77.19% of completed questionnaires was observed from the total population of all 57 service managers, and therefore the results cannot be considered as truly representative of 100% of the surveyed population. Accordingly, as the overall surveyed population size was relatively small (44 respondents) any data represented as a percentage can be misleading, as minor variations in numeric data can yield disproportionate variations in the representative percentage. Therefore, all data has been presented as a percentage and its corresponding numeric value.

This study examined the views of service managers within a single local authority only. Therefore, it is not representative of managers' attitudes generally or throughout local government. Similarly, this study did not examine the views of senior management or other members of staff. Whilst the justification for only seeking the views of service

managers was presented in Chapter 3, these views may have provided greater insight into the stakeholder concept and its wider implications on strategy.

5.6 Opportunities for further research

This study was limited to a single local authority, and therefore further research is required to examine whether similar trends are evident in other local authorities. Similarly, this study only examined the opinions of service managers, and therefore further research is required within senior management, the wider staff structure and/or elected members to obtain a greater insight into the stakeholder concept and its wider implications on strategy. Furthermore, as elected members have been identified as having an influence upon local authority strategy, additional research could examine whether strategic training for elected members would yield a positive impact on the development of strategy.

This research has also indicated that managers did not fully understand who should be considered as a stakeholder and that this could be as a result of a training need. Additional research could therefore explore managers' understanding of the stakeholder concept and whether any lack of understanding is related to a potential skills gap. Moreover, a greater understanding is needed of the impact of training upon the assessment (and ultimate influence) of stakeholder voice.

The additional pressures upon service managers resulting from the size and structure of a smaller authority have been indicated as a restriction upon the way managers formulate strategy, and therefore, additional research is required to examine whether the structure and size of a local authority affects its effective strategic development.

6 Recommendations

Based on the conclusions provided in the previous Chapter, the following recommendations are made:

1. To address managers' lack of understanding of strategy, the stakeholder concept and the relationship between the two, a management training programme should be devised to foster effective strategy formulation and stakeholder involvement. This training should also be extended to elected members so they understand how their decisions affect the various Council strategies;
2. In an extension of the above point, the existing documented guidance for managers should be developed and improved to specifically address strategy formulation and stakeholder involvement. The document should provide managers with examples of how to undertake these activities and set out the means by which managers can assess stakeholder views;
3. To provide a strong strategic vision for the Council, the formulation of a single senior strategic management post should be considered. However, given the relatively small size, structure and available resources of the Council, this may not be practical. Therefore, there should, at the very least, be a clear commitment and ownership from senior management to develop strategy;
4. This commitment should also involve the incorporation of strategic development into the Council's existing Performance Management Framework. This would not only foster a more planned approach to strategy, it would empower service managers to spend sufficient time devoted to strategic thinking;
5. Service managers could be further empowered by the formulation of a working group for those managers involved in strategy formulation and/or stakeholder involvement. This would facilitate the sharing of ideas and best practice with regard to strategy formulation and stakeholder involvement. It would also help develop a consistent approach to strategy across the Council and give service managers the confidence to assess stakeholder views in line with corporate thinking.

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Appendices

Appendix 1: Outline structure of the Council

The Operational Management Board:

- **Chief Executive;**
- **Deputy Chief Executive;**
- **Assistant Chief Executive** - Corporate policies, public relations, consultation, IT services, customer contact centre;
- **Council Secretary & Solicitor** – Legal matters, Cabinet and Committee administration, civic support, land charges, administration and election services;
- **Financial Services** - Financial management, Council tax, business rates, travel concessions, benefits, cashiers, benefit fraud investigation;
- **Planning and Development Services** - Planning policy, development control, building control, conservation, market and pay & display car parks;
- **Housing Services and Property Maintenance** - Management of Council's housing stock, securing decent, affordable and safe public and private sector housing;
- **Community Services** - Food safety, health and safety enforcement, pollution control, public health, licensing, pest control, dog control, health promotion, animal welfare, management of sports and leisure facilities, arts and cultural events, art gallery, community centres, playgrounds, outdoor recreation, countryside sites and community safety;
- **Regeneration and Estates** - Regeneration and economic development, management of the Council's commercial property portfolio;
- **Human Resources** - Employment policies and training services;
- **Street Scene** - Refuse collection, recycling, street cleaning and grounds maintenance.

Appendix 2: Data requirements table

Research question: The impact of stakeholder voice upon the formulation of strategy within a small local authority			
Type of research: Descriptive data			
<i>Investigative questions</i>	<i>Variables required</i>	<i>Detail in which data measured</i>	<i>Check included in questionnaire</i>
What role does the respondent hold within the Council?	Attribute	Manager Supervisor	X
Is the respondent involved in strategy formulation?	Attribute	Yes or no	✓
If yes, continue to ...	-	-	✓
If no, continue to...	-	-	✓
How best would the respondent consider strategy to be?	Opinion: options	Related to definitions within literature	✓
How would the respondent best define a stakeholder?	Opinion: options	Related to definitions within literature	✓
Which of the following does the respondent consider to be a stakeholder?	Opinion: options	- Regulator - Organisational - Community - Media	✓
Can the respondent identify any other groups of stakeholders?	Opinion	Free text	✓
Does the respondent think stakeholders are important when formulating strategy?	Opinion	Very important, quite important, neutral, relatively unimportant, completely unimportant	✓
If completely unimportant, why?	Opinion	Free text	X
Does the respondent consider stakeholder views when developing strategy?	Behaviour	Yes or no	✓
Is the respondent free to identify the stakeholders?	Attribute	Yes or no	✓
If not, how are they decided?	Behaviour: options	Higher management, legislation, good practice, other - stipulate	✓
How does the respondent determine stakeholder views?	Behaviour		✓
Has the respondent received any guidance/training from the Council on strategy formulation?	Attribute	Yes or no	✓
If yes, what format was the guidance?	Attribute	Free text	✓
Does the respondent think the guidance was useful?	Opinion	Very useful, quite useful, neutral, of little use, no use at all	✓
If no, did the respondent obtain guidance from another source?	Attribute	Yes or no	✓
If yes, where from?	Behaviour	Free text	✓

Has the respondent received any guidance/training from the Council on stakeholder involvement?	Attribute	Yes or no	✓
If yes, what format was the guidance?	Attribute	Free text	✓
Does the respondent think the guidance was useful?	Opinion	Very useful, quite useful, neutral, of little use, no use at all	✓
If no, did the respondent obtain guidance from another source?	Behaviour	Yes or no	✓
If yes, where from?	Behaviour	Free text	
Does the respondent consider stakeholders to be a positive or negative influence?	Opinion	Positive or negative	✓
If positive, explain?	Opinion	Free text	X
If negative, explain?	Opinion	Free text	X
How would the respondent prioritise stakeholder responses?	Behaviour: options	Tick all that apply: - Relevance (to strategic objectives) - Importance - power of the stakeholder - influence of the stakeholder - management perception of the stakeholder	✓
What does the respondent consider stakeholder voice to be most influential – sanction / support / power?	Opinion: options	Ranking: - Ability to sanction - Ability to provide support - Use of power	✓
Does the respondent consider stakeholder voice to be affected by any other attribute?	Opinion	Free text	
What does the respondent consider provides a stakeholder with power?	Opinion: options	Options from literature	✓
Where does ability to sanction come from?	Opinion	?	✓
Where does ability to support come from?	Opinion	?	✓
What does the respondent consider provides a stakeholder with voice?	Opinion	Repetition?	X
Has the respondent not considered stakeholders when they should have?	Opinion	Yes or no	X
If yes, explain?	Opinion	Free text	X
Is the respondent aware of any other examples where stakeholders should have been		Yes or no	✓

considered and were not?			
If yes, explain?		Free text	X
If stakeholder demonstrates strong ability to influence, yet opinion is contrary to strategic goals, how would you respond?	Opinion: options	<ul style="list-style-type: none"> - Defend - Monitor - Collaborate - Involve 	✓
If the stakeholder influence is low, yet opinion is contrary to strategic goals, how you respond?	Opinion: options	<ul style="list-style-type: none"> - Defend - Monitor - Collaborate - Involve 	✓
If the stakeholder influence is low, yet opinion is supportive of strategic goals, how you respond?	Opinion: options	<ul style="list-style-type: none"> - Defend - Monitor - Collaborate - Involve 	✓
If stakeholder demonstrates strong ability to influence and opinion is supportive of strategic goals, how would you respond?	Opinion: options	<ul style="list-style-type: none"> - Defend - Monitor - Collaborate - Involve 	✓
Examples where impact of stakeholder voice has supported strategic goals	Opinion	Free text	✓
Examples of where stakeholder voice has influenced strategic goals to the detriment of delivery?	Opinion: options	Free text	✓

Appendix 3: Self administered questionnaire pilot feedback

Feedback from questionnaire focus group: 28th February 2008	
Comment	Response
▪ Questionnaire well laid out & easy to read	▪ None
▪ Clear explanation of aims & controls	▪ None
▪ Estimate of time to complete inaccurate	▪ Amended to read 5-10 minutes
▪ No return address	▪ Had assumed this was self explanatory, however address inserted
▪ No return email address	▪ Questionnaire will be distributed by, so no explicit address required. However as questionnaire may be completed remotely from a PC, email address inserted
▪ No signature	▪ All questionnaires to carry a signature
▪ Draft Qs 2 & 3 too 'heavy' for start of questionnaire	▪ Questions are valid & relate to academic definitions. Therefore, in line with Jankowicz (2002), these Qs have been moved to later within the questionnaire (Qs 14 and 15)
▪ Draft Q8 is ambiguous	▪ Draft Q8 removed and draft Q9 amended - option added for "none of the above" effectively demonstrating that the respondent doesn't have any restrictions on them
▪ Similarity of draft Qs 18 & 19	▪ Questions relate to similar topics of stakeholder influence and voice. Once this was explained the respondent was happy, therefore these questions have been split within the questionnaire and references to voice and influence have been emphasised throughout the questionnaire to highlight the difference in terminology
▪ Clarity of draft Qs 20, 21 & 22	▪ Questions relate to Bryson (2004) model, which has been adapted into the conceptual model. The questions have been reworded to improve the clarity of the required response
▪ Terminology of draft Qs 27, 28, 29, & 30	▪ Each of the four options relate to the conceptual model. However, taken on face value, these terms mean very little to the respondent. Therefore the explanation of each term has been made clearer to improve respondent understanding of each option (derived from the conceptual model)
▪ 'Comment' boxes unnecessarily too large	▪ Boxes re-sized, which assisted overall questionnaire length
▪ Use of too many open questions	▪ Following guidance offered by Saunders et al. (2007), the number of open

	<p>questions had been kept to a minimum (only 5 open questions out of a total of 30). Therefore the order of the pen questions has been dispersed toward the end of the questionnaire to reduce the impact of this perception</p> <ul style="list-style-type: none"> ▪ Wording of draft Qs 25 and 26 amended to improve clarity and emphasis
▪ Typographical error in draft Q28	▪ Error amended
▪ Design of scale questions (draft Qs 5 and 23) could be improved	▪ Question design improved to form the responses within a table
▪ Questionnaire too long	<ul style="list-style-type: none"> ▪ Page size of questionnaire increased ▪ Questionnaire design revisited ▪ Questionnaire order revisited ▪ Questionnaire part numbers removed ▪ Removal of Q8 ▪ Open response text boxes re-sized ▪ Reduced length of questionnaire from 8 sides of A4 to 6

Appendix 4: Layout of self administered questionnaire

XXXXXXX Council
Stakeholder influences: Manager’s questionnaire

This questionnaire is part of my MBA research project to ascertain the impact of stakeholder voice upon the formulation of strategy within the Council.

All sections of our work often involve multiple stakeholders and satisfying these demands of these stakeholders can be a challenge. Your responses are vital to enable the study of how these forces affect the many strategies and plans that are compiled by managers, so that we may learn to improve the ways that we engage with our stakeholders.

Please answer the questions feely in the spaces provided, however if you wish to add any further comments, please do so.

ALL RESPONSES WILL BE TREATED IN THE STRICTEST CONFIDENCE.

The questionnaire will take 5-10 minutes to complete and the findings of your questionnaire and others will be used as the main data set for my MBA dissertation with the University of Chester.

WHEN YOU HAVE COMPLETED THE QUESTIONNAIRE, PLEASE RETURN IT TO ME AT XXXXXXX BY NO LATER THAN 28th MARCH 2008

If you would like to see a summary of the findings of my research, or have any queries, please contact me on ext. XXXX, or by email on XXXXXXXXXXXX

I hope you find completing the questionnaire enjoyable and thank you for your valuable time.

Kind regards

1. **As part of your current role, are you required to formulate strategies, policies or plans?**
- Please tick ✓
- ☐ Yes
- ☐ No

2. **Which of the following groups do you consider to be a stakeholder?**
Please tick any one or more boxes which best describes your view
- ☐ Regulator (central government, regulatory body etc.)
- ☐ Organisational (businesses, local authorities, trade unions, health authorities, Police etc.)
- ☐ Community (public, representative groups etc.)
- ☐ Media (local newspaper, TV, radio, internet etc.)
- ☐ Other, please state _____

3. **How important do you think stakeholders are to your work?**
Please circle ONE point on the scale that best describes your view

Important		Unimportant		
1	2	3	4	5

4. **When formulating strategies, policies or plans, do you consider stakeholder views?**
- Please tick ✓
- ☐ Yes
(Go to Q. 6)
- ☐ No
(Go to Q. 5)

5. **Please explain why stakeholder views are not considered?**

6. **Do any of the following restrict your choice of stakeholders?**
Please tick any one or more boxes which best describes your view
- ☐ Higher management
- ☐ Legislation
- ☐ Stakeholder power (actual or potential) forces their inclusion
- ☐ Ability of stakeholder to sanction the Council means that you must include them
- ☐ Level of stakeholder support means that you must include them
- ☐ None of the above
- ☐ Other, please state _____

7. When required to do so, how do you ascertain the best way to obtain stakeholder views?
Please put a tick in the box besides the ONE alternative which best describes your view

- ☐ Consult corporate guidance
- ☐ Do it the way you've always done it
- ☐ Follow established best national practice
- ☐ Use academic resources
- ☐ Ask a colleague
- ☐ Other, please state _____

Please tick ✓

8. Have you ever received training or guidance from the Council on the formulation of strategies, policies and plans?
☐ Yes (Go to Q. 9)
☐ No (Go to Q. 11)

9. Please state the format of the guidance.

10. What was your opinion of the guidance?
Please put a tick in the box beneath the ONE alternative which best describes your view

Very useful	Useful	Uncertain	Of little use	Not at all useful
*****	*****	*****	*****	*****

Please tick ✓

11. Have you ever received training or guidance from the Council on stakeholder involvement?
☐ Yes (Go to Q. 12)
☐ No (Go to Q. 14)

12. Please state the format of the guidance.

13. **What was your opinion of the guidance?**
Please put a tick in the box beneath the ONE alternative which best describes your view

Very useful	Useful	Uncertain	Of little use	Not at all useful
.....

14. **How would you best define strategy?**
Please put a tick in the box besides the ONE alternative which best describes your view

- ☐ The development toward a single person’s vision
- ☐ An emergent process where direction is a result of a bargaining & negotiation process between stakeholders
- ☐ An intentional planned sequence of analytical, logical & rational procedures
- ☐ An unrealised process developing from existing experience, attitudes, values & perceptions
- ☐ An incremental step by step approach towards a vision/goal
- ☐ An enforced plan of regulatory control dictated by a third party

15. **How would you best define a stakeholder?**
Please put a tick in the box besides the ONE alternative which best describes your view

- ☐ Those individuals or groups who depend on the organisation to fulfil their own goals & on whom the organisation depends
- ☐ All of those groups and individuals that can affect, or are affected by, the accomplishment of organisational purpose
- ☐ All parties who will be affected by, or will affect, organisational strategy
- ☐ Any person, group or organisation that can place a claim on the organisation’s attention, resources, or output, or is affect by that output
- ☐ People or small groups with the power to respond to, negotiate with, and change the strategic future of an organisation

16. **Do you agree that the involvement of stakeholders helps to improve the development of strategies, plan or policies?**
Please put a tick in the box beneath the ONE alternative which best describes your view

Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
.....

17. Which of the following attributes do you consider provide a stakeholder with voice? (i.e. 'attention getting' capacity)

Please tick any one or more boxes which best describes your view

- ☐ Stakeholder's base of power
- ☐ Stakeholder's ability to sanction the Council (by whatever means)
- ☐ Stakeholder's level of support for the Council
- ☐ Other, please state _____

18. How important do you consider a given stakeholder's voice (i.e. 'attention getting' capacity) is to the development of strategy?

Please circle ONE point on the scale that best describes your view

Important			Unimportant	
1	2	3	4	5

19. Do you think that the level of stakeholder voice (i.e. 'attention getting' capacity) disproportionately affects strategy development?

Please put a tick in the box beneath the ONE alternative which best describes your view

Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
.....

20. Which of the following attributes do you consider affect the level of influence that any given stakeholder may possess?

Please tick any one or more boxes which best describes your view

- ☐ Stakeholder's base of power (actual or potential)
- ☐ Stakeholder's ability to sanction the Council (by whatever means)
- ☐ Stakeholder's level of support for the Council
- ☐ Relevance of the response
- ☐ Legitimacy of the stakeholder
- ☐ Stakeholder voice (i.e. 'attention getting' capacity)
- ☐ Stakeholder's perception of Council actions
- ☐ Stakeholder's interpretation of Council actions
- ☐ Other, please state _____

21. What elements do you think can provide stakeholders with power over the Council?

22. What aspects do you think can allow stakeholders to sanction the Council?

23. By what means do you think stakeholders could provide support to the Council?

24. If a given stakeholder demonstrates a strong ability to influence, yet their opinion is contrary to strategic goals, how would you respond?
Please put a tick in the box beneath the ONE alternative which best describes your view

Guard against the influence of the stakeholder	Note the views of the stakeholder, but take no action	Encourage involvement from the stakeholder	Directly involve the stakeholder & develop the relationship
.....

25. If a given stakeholder demonstrates a strong ability to influence and their opinion is supportive of strategic goals, how would you respond?
Please put a tick in the box beneath the ONE alternative which best describes your view

Guard against the influence of the stakeholder	Note the views of the stakeholder, but take no action	Encourage involvement from the stakeholder	Directly involve the stakeholder & develop the relationship
.....

26. If the level of influence of a given stakeholder is low, yet their opinion is contrary to strategic goals, how you respond?
Please put a tick in the box beneath the ONE alternative which best describes your view

Guard against the influence of the stakeholder	Note the views of the stakeholder, but take no action	Encourage involvement from the stakeholder	Directly involve the stakeholder & develop the relationship
.....

27. If the level of influence of a given stakeholder is low and their opinion is supportive of strategic goals, how you respond?
Please put a tick in the box beneath the ONE alternative which best describes your view

Guard against the influence of the stakeholder	Note the views of the stakeholder, but take no action	Encourage involvement from the stakeholder	Directly involve the stakeholder & develop the relationship
.....

28. Please provide any examples where you feel stakeholder voice has influenced the development of strategy, policies, plans etc. to the detriment of their delivery.

29. Please provide any examples where you feel stakeholder voice has positively supported the development of strategy, policies, plans etc.

30. Please provide any comments or issues you feel arise from this questionnaire

Thank you for your time

Appendix 5: Excerpt from the Council's Performance Management Guide

Strategies

Strategies and plans should tell us where we are now, where we want to be and how we are going to get there. Without a strategy the Council faces the risk of unclear aims and objectives making it difficult to tell whether the organisation has been successful and staff questioning the value of their work in the absence of understanding how it contributes to the 'big picture'.

Much of what goes to make a good strategy is contained elsewhere within this leaflet. Strategies are not just aspirational documents saying what the perfect situation would be, they have to contain the tasks and measures which will act as the building blocks to take us from where we are now to where we want to be. Strategies do not sit on the shelf!

A successful strategy will be:-

- Created on time
- Delivered to time

Creating a strategy

Your strategy must include a set of long term (3 years or more) objectives and goals; the key milestones to ensure successful and timely delivery and other SMART targets to measure your success. The strategy is essentially an action plan to deliver service aims and objectives.

strategies should have regard to a number of factors, primarily:

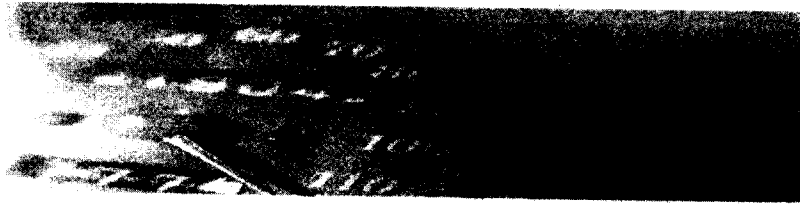
- The needs of the community
- The Community Strategy & Local Strategic Partnership
- The Council's Corporate Priorities
- Government priorities and legislation

Authors need to consider

- The objectives and priorities of their service
- The policies of the service and method of delivery
- The challenges their service faces
- The scope and need for improvement and change

Strategic Issues

- What are the problems and opportunities?
- How are we going to deliver on our commitments (Local Area Agreements, legislation etc)
- What cross-cutting initiatives must we play a part in?
- How can we improve our services for customers and other stakeholders?
- What possibilities do IT developments and e-business present?
- Do we manage information and use it to help us make informed decisions?
- What needs to change in our culture and our attitudes?
- How can we improve internal and external communication?
- Are we going to need new skills?
- Where are we now and where do we want to get to?
- What do we want to change? i.e. If we stay on our current course, where will we end up?



Other Issues to be considered: -

- Degree of necessity (mandatory, desirable or optional?).
- Contribution to Corporate Priorities and other strategic objectives.
- Affordability, both now and in the future.
- Risks involved.
- The consequence of not proceeding.
- Feasibility.
- Technical implications or uncertainty.
- Dependence on, or relevance to, other possible candidates for action.
- Estimated time and resource required (never suggest an initiative or timescale which impacts on the work-plan of another division or section before making proper arrangements with those accountable).

Delivering Your Strategy

Once your strategy has been developed it is your responsibility to keep the plan on course and implement the changes which have been decided. This is not a stage of strategy development but an ongoing process.

Your strategy will need to react to changes within the Council and from outside. As time goes by it is unlikely that priorities will remain the same. Are your targets and goals aspirational or essential? You have to concentrate on the achievement of those things which are essential. The weight attached to objectives will change as corporate priorities alter and new legislation, Government priorities and initiatives emerge. You will need to keep your strategy under constant review as part of the continuous task of monitoring performance. Your strategy cannot be regarded as immutable; proposed actions and their relative priority will need to be revisited as part of the review process.

It is essential that you monitor your strategy and that progress is reported annually to members.

- Have we reached the standards we said we would?
- Have we done the tasks we said we would?
- Do you need to amend objectives and targets in light of new issues and priorities? Explain why the priority has shifted: -
- How have new demands, technologies and changes in capacity altered the environment in which the service operates?
- Does it still reflect the way the service & its environment are developing?
- Are the broad themes of the strategy still valid?
- Are the priorities that we decided still the right ones?
- Are there things on 'the back burner' which have become more important?
- Are there new priorities which need to be included?

Appendix 6: Data table - managers’ views of the importance of stakeholders to their work

	Frequency	Percent	Valid Percent	Cumulative Percent
Important	24	54.5	54.5	54.5
Quite important	16	36.4	36.4	90.9
Neutral	3	6.8	6.8	97.7
Quite unimportant	1	2.3	2.3	100.0
Total	44	100.0	100.0	

Appendix 7: Data table - whether managers think stakeholder involvement improves strategy

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	11	25.0	25.6	25.6
Agree	24	54.5	55.8	81.4
Uncertain	7	15.9	16.3	97.7
Disagree	1	2.3	2.3	100.0
Total	43	97.7	100.0	
no response (missing)	1	2.3		
Total	44	100.0		

Appendix 8: Data table - managers' view of the importance of stakeholder voice toward strategy

	Frequency	Percent	Valid Percent	Cumulative Percent
Important	5	11.4	11.6	11.6
Quite important	19	43.2	44.2	55.8
Neutral	15	34.1	34.9	90.7
Quite unimportant	3	6.8	7.0	97.7
Unimportant	1	2.3	2.3	100.0
Total	43	97.7	100.0	
no response (missing)	1	2.3		
Total	44	100.0		

Appendix 9: Data table - the key methods managers use to obtain stakeholder views

	Frequency	Percent	Valid Percent	Cumulative Percent
Use corporate guidance	7	15.9	16.7	16.7
Do it the way you always have	9	20.5	21.4	38.1
Follow best national guidance	21	47.7	50.0	88.1
Use academic resources	2	4.5	4.8	92.9
Ask a colleague	1	2.3	2.4	95.2
Other	2	4.5	4.8	100.0
Total	42	95.5	100.0	
no response (missing)	2	4.5		
Total	44	100.0		

Appendix 10: Data table - whether managers think stakeholder voice disproportionately affects strategy

	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	14	31.8	31.8	31.8
Uncertain	22	50.0	50.0	81.8
Disagree	8	18.2	18.2	100.0
Total	44	100.0	100.0	

Appendix 11: Data table - stakeholder: strong influence / does not support strategy

	Frequency	Percent	Valid Percent	Cumulative Percent
Defend against the stakeholder	6	13.6	13.6	13.6
Monitor actions of stakeholder	7	15.9	15.9	29.5
Collaborate with the stakeholder	15	34.1	34.1	63.6
Directly involve the stakeholder	16	36.4	36.4	100.0
Total	44	100.0	100.0	

Appendix 12: Data table - stakeholder: strong influence / supports strategy

	Frequency	Percent	Valid Percent	Cumulative Percent
Defend against the stakeholder	0	0.0	0.0	0.0
Monitor actions of stakeholder	5	11.4	11.4	11.4
Collaborate with the stakeholder	18	40.9	40.9	52.3
Directly involve the stakeholder	21	47.7	47.7	100.0
Total	44	100.0	100.0	

Appendix 13: Data table - stakeholder: weak influence / does not support strategy

	Frequency	Percent	Valid Percent	Cumulative Percent
Defend against the stakeholder	1	2.3	2.3	2.3
Monitor actions of stakeholder	12	27.3	27.3	29.5
Collaborate with the stakeholder	22	50.0	50.0	79.5
Directly involve the stakeholder	9	20.5	20.5	100.0
Total	44	100.0	100.0	

Appendix 14: Data table - stakeholder: weak influence / supports strategy

	Frequency	Percent	Valid Percent	Cumulative Percent
Defend against the stakeholder	0	0.0	0.0	0.0
Monitor actions of stakeholder	5	11.4	11.4	11.4
Collaborate with the stakeholder	24	54.5	54.5	65.9
Directly involve the stakeholder	15	34.1	34.1	100.0
Total	44	100.0	100.0	

Appendix 15: Data table - managers’ opinion of Council training on strategy formulation

	Frequency	Percent	Valid Percent	Cumulative Percent
Very useful	2	4.5	15.4	15.4
Useful	11	25.0	84.6	100.0
Uncertain	0	0.0	100.0	100.0
Of little use	0	0.0	0.0	100.0
Not at all useful	0	0.0	0.0	100.0
Total	13	29.5	100.0	
no response (missing)	31	70.5		
Total	44	100.0		

Appendix 16: Data table - managers' opinion of Council training on stakeholder involvement

	Frequency	Percent	Valid Percent	Cumulative Percent
Very useful	1	2.3	20.0	20.0
Useful	4	9.1	80.0	100.0
Uncertain	0	0.0	100.0	100.0
Of little use	0	0.0	0.0	100.0
Not at all useful	0	0.0	0.0	100.0
Total	5	11.4	100.0	
no response (missing)	39	88.6		
Total	44	100.0		